



COMMUNICATION STRATEGIES FOR ORGANIZATIONAL TURNAROUND

*A study to explore the role and impact of
communication in enabling change*

ABSTRACT OF THE THESIS
submitted for the award of
Ph.D (BUSINESS ADMINISTRATION)

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2007

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ABSTRACT

Introduction

Organizational change has emerged as an imperative for organizational competitiveness and survival. Amongst various change efforts a radical one is organizational turnaround of sick companies. It is a change effort that requires a large number of stakeholders to change their individual behavior. Coordination of stakeholders is at the core of governance during radical environmental change (Meyer, 2004). In turnaround literature, the role of communication receives attention when several elements such as leadership, motivation, image of the organization are dealt with. Communication is thus seen to play a role in enabling essential elements of turnaround. This research study focuses on communication strategies adopted by turnaround managements and explores the role and impact of communication in enabling this change.

Justification for the Study

Environment has become increasingly volatile and the percentage of sick Companies turning around and setting themselves on a growth path is very low. In the first half of 1990s, organizational failures continued to attain record levels. One in 38 active British businesses went into liquidation in the third quarter of 1992. Individual solvencies soared by 83% during the same period (Richardson, Nwankwo & Richardson, 1994). In a world-wide recession of 1990s the number of manufacturing company bankruptcies in Australia increased by a factor of two-and-a-half (Harker & Sharma, 2000). The number of sick companies registered with BIFR¹ between 1987 and 31 December 2004 were 5147. As on 31 October 2005, only 389 companies (7.56%) had been deregistered and declared no longer sick. It is evident that while the number of companies turned sick at an epidemic rate, the turnarounds were not easy to come.

¹ Board of Industrial and Financial Reconstruction, an appellate body set up by the government of India to assist sick companies aspiring to recover

The literature on turnaround also indicates that factors affecting turnaround are embedded in regional contexts. Culture and the institutional environment coupled with different stages of development of Asian economies limit the usefulness of models derived from studies of turnaround in more developed economies. Enablers of change and restructuring in Asia differ, making different approaches to turnaround possible (Ahlstrom & Bruton, 2004). Countries of Asia, while sharing many similarities, enjoy enough differences to require the study of phenomena within specific country contexts. Thus, researchers need to be clear on points of similarities and differences around the region to control country differences in the study of turnaround. (Ahlstrom & Bruton, 2004).

According to Ahlstrom & Bruton (2004), the issue of stakeholders and their role in the turnaround of organizations in Asia deserves greater attention. For instance, government is a key stakeholder in Asian countries. In many nations such as India and Korea, unions can also be major stakeholders while in other economies such as that of China, Hong Kong and Singapore, they play a minimal role. Most of the studies documented are of companies in US or UK. Many researchers have identified a gap in turnaround research in developing countries and in Asia. The need for study in Indian context is therefore established.

The literature also details the role of communication during change. But very few studies have been done to establish role and process of communication in enabling a turnaround. The role of communication receives attention when several elements such as leadership, motivation, image of the organization are dealt with. Communication is thus seen to play a role in enabling essential elements of turnaround. Thus, turnaround literature documents the role of communication as part of implementation process for several turnaround elements. However, not many studies have concentrated to explore whether a communication strategy is adopted by turnaround managements or not. A study of communication during turnaround of organizations in India may perhaps reveal communication strategies that successful turnaround managements have been adopting. Such a study on one hand would enrich the literature and on the other hand may prove worthwhile for managements striving for an organizational turnaround. A research to explore role of communication and propose a communication strategy to enable organizational turnaround is thus warranted and hence attempted hereof.

Review of Literature

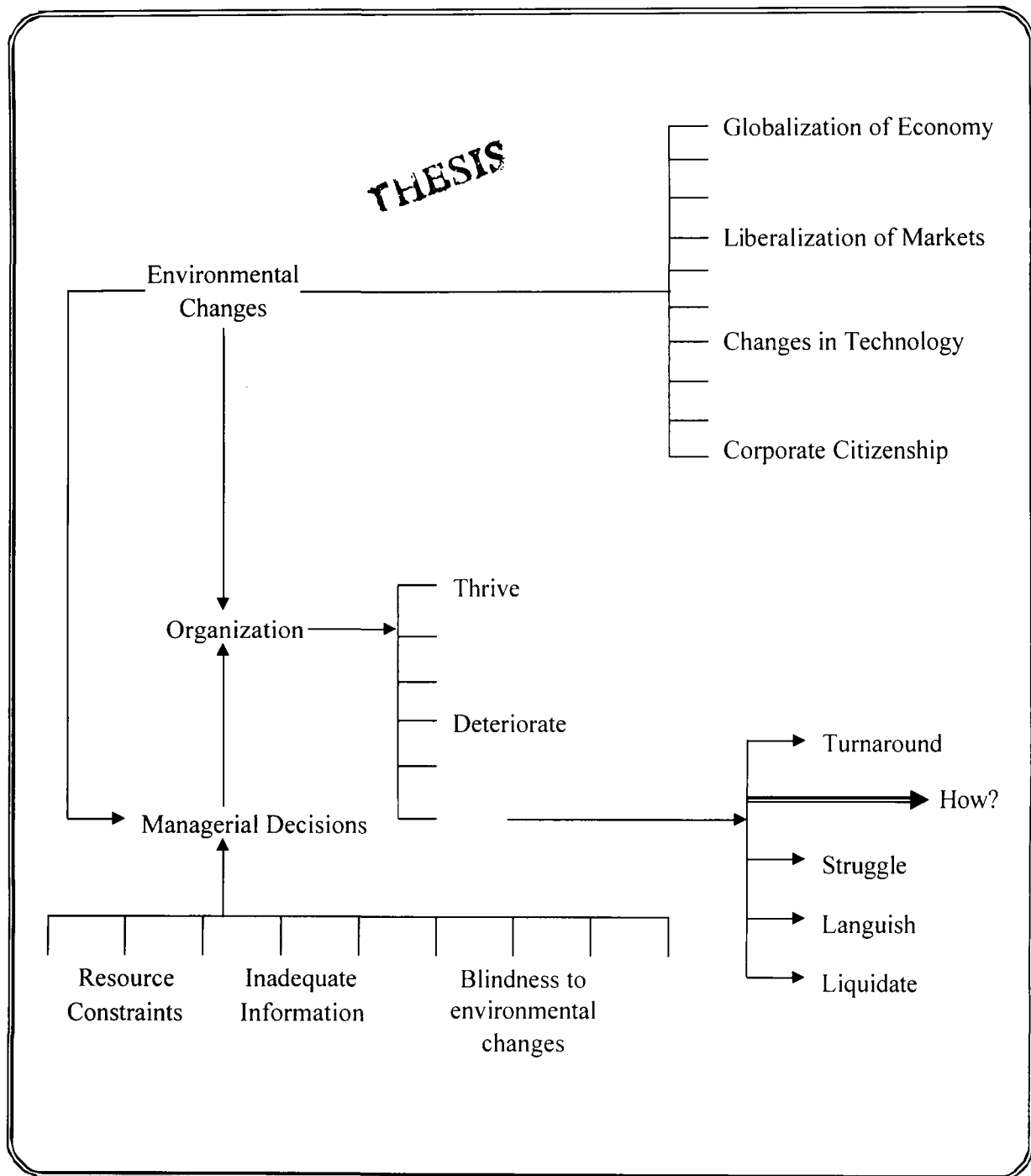
Change literature widely documents the important role that communication plays in the production of change. Several writers have stressed on the role of communication in the change process even to the extent of suggesting that change is a communication problem that can be resolved by having people understand the change and the role they play in its implementation (Kotter, 1990). In this chapter, literature on organizational change and communication has been reviewed and classified based on themes that have interested researchers in the past.

Change however is defined differently in different studies. It varied from change due to diversification, joint ventures, globalization, localization or several other paradigms. For the purpose of this study, it was decided to study a radical change initiative – a turnaround from organizational decline. Turnaround literature has been reviewed to present the research done on various themes such as predictors of organizational decline or turnaround, models of turnaround, turnaround strategies, organizational decline and innovation, leadership and turnaround, retrenchment and turnaround and several cases on turnaround. literature review revealed that while several studies focussing on aspects such as leadership, models, processes, retrenchment etc. mention the important role played by communication during the process, no study was found to be completely devoted to the aspect of communication during turnaround. Thus, in this study, an attempt has been made to develop a framework of communication strategy during organizational turnaround. Insights from literature on various themes pertaining to change, turnaround and communication have been employed to develop the framework.

Theory Building and Propositions

On the basis of literature reviewed, a theory on communication strategies during organizational turnaround is developed and presented in this chapter. Here, it is proposed that an organization is embedded into an environment, as depicted in Figure 3.1. There are disabling forces emanating from various stakeholders that are exerting themselves on a sick company, as depicted in Figure 3.2. The management/promoter (as discussed earlier) assumes the central responsibility for managing the disabling forces. Appropriate managerial decisions direct managerial actions which lead to organizational turnaround, as depicted in Figure 3.3. The managerial actions include thought out communication actions/ interventions which are designed to meet strategic communication objectives for each stakeholder. The strategic communication objectives have one-to-one co-relation with strategic turnaround objectives.

Figure 3.1: Organizational Changes in a Changing Environment



Source: Developed by the researcher on the basis of literature review

Figure 3.2
Enabling and Disabling Forces on a sick company

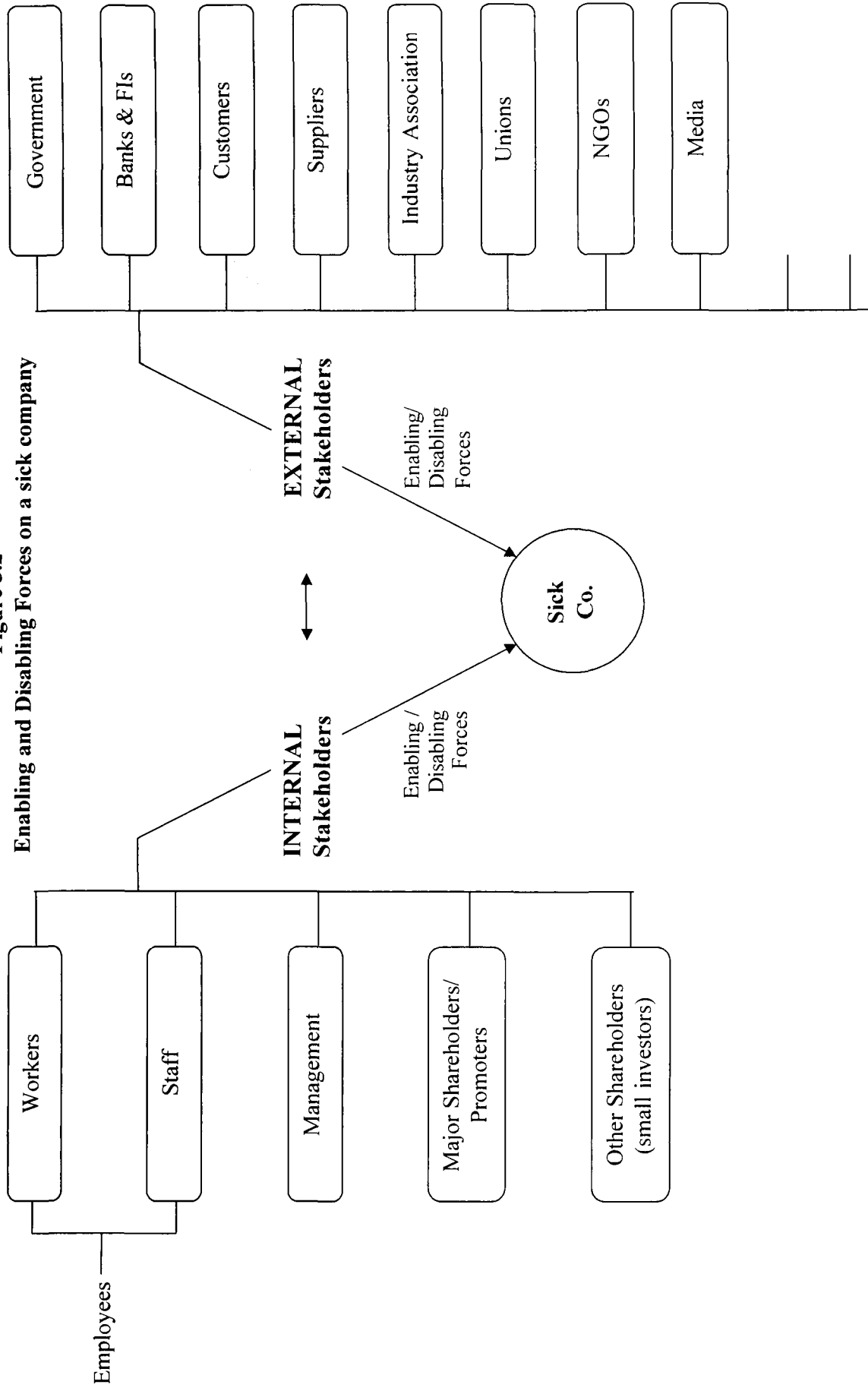
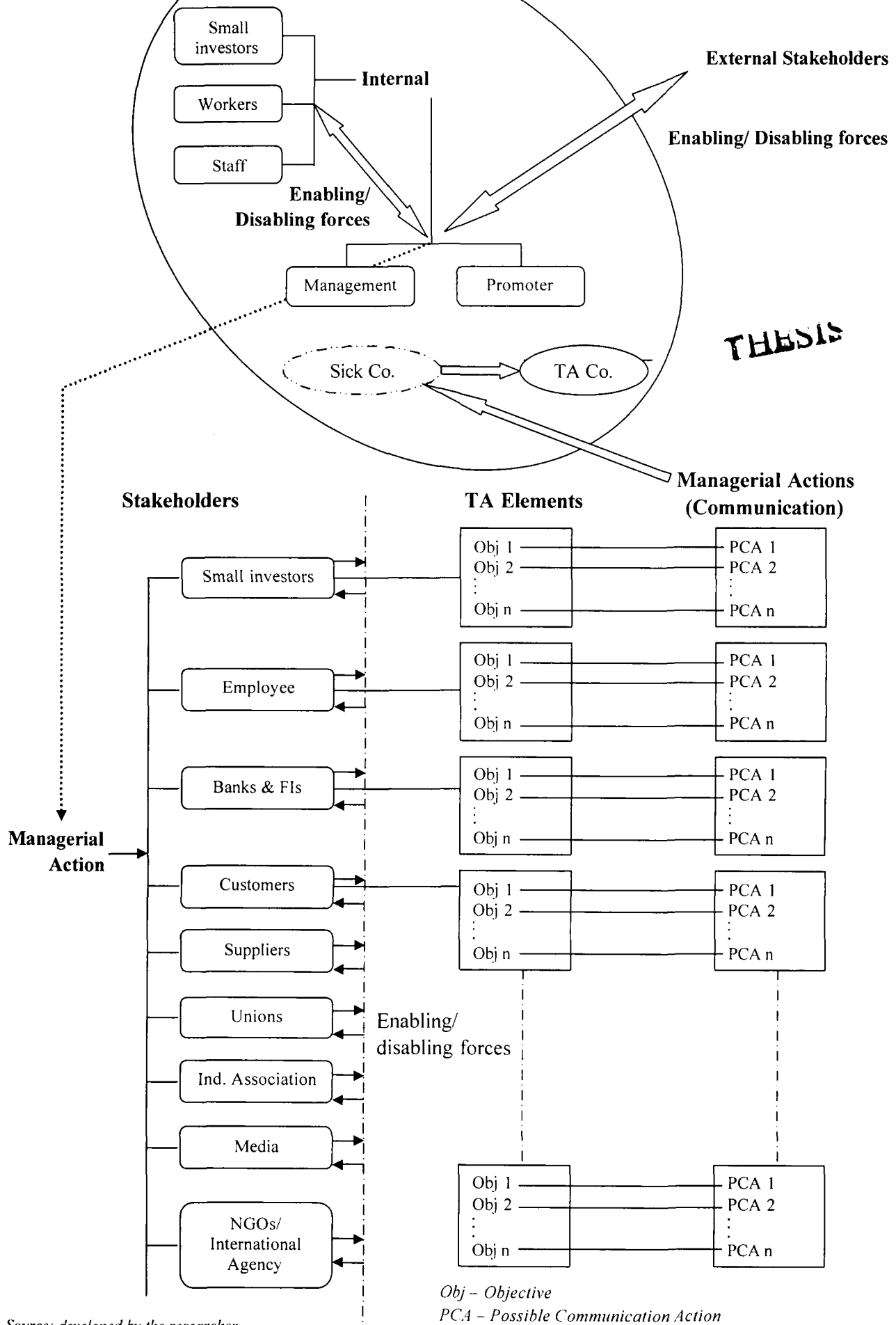


Figure 3.3: A Model of Communication Strategy for Organizational Turnaround (CS for OTA)



Source: developed by the researcher

A literature review of studies on organizational turnaround was conducted to draw out the role of communication during turnaround, as documented by researchers in other studies. Through five stages of development a framework as given in Framework 3.2 was developed. It presents a comprehensive account of stakeholders, objectives identified for each stakeholder and communication actions adopted to achieve the objectives. This Framework was proposed as the theoretical framework for Communication Strategies for Organizational Turnaround (CS FOR OTA) and this research study has attempted to validate Figure 3.1, Figure 3.2, Figure 3.3 and Framework 3.2.

FRAMEWORK 3.2: Proposed Framework of Communication Strategies for Organizational Turnaround (CS for OTA)

Stakeholder/ Turnaround Element (objective)/ Possible Communication Action

Board of Directors/ Shareholders

Gain support and time in the future

- Present detailed turn-around plan

Staff and Employees

Credibility building actions by the new management

- Document, and communicate a strategic turnaround plan
- Publicize success in resolving a current crisis or problem
- Make decisions transparent
- Exercise Communication Control

Initial Control

- Order preparation of daily, weekly and monthly cash forecasts
- Exercise Communication Control.
- Seek views on the general well being of the employees.

Mobilization of organization for turnaround

- Include key managers for development of industry wisdom
- Include only key managers for development of vision
- CEO should deliver the vision presentation in person and as often as possible.
- Hold special sessions for non-participating managers after vision has been developed to share planned vision
- Inject urgency in the communications plan. Explain what needs to be done and why
- Listen to the views of all managers. Gauge their reaction

- Understand perceptions and focus minds of managing team. Set the scene for turnaround.
- Ensure all employees know what is going on, for what reason and how it will occur.
- Share the pulpit.
- Deal with concerns of employees in open and honest manner. Offer Follow up sessions
- Note any comments or queries and provide answers asap.
- CEO must get out of the office to interact with the employees and to listen to them
- Employ open ended communication style that encourages employees to find answers, take decisions.
- Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.
- Articulate a few highly concrete targets for the company for the next few months
- Involve the staff to identify solvable problem areas and have their views on uninvolved areas.
- Rephrase people's roles to clarify managerial responsibilities.
- Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.
- Publicize and celebrate every employee and team success.

Internal Co-ordination

- Offer constant feedback to keep organization on track
- Set up co-ordination committees for co-ordinating interdependent departments
- Institute a monthly performance review meeting of all senior managers chaired by the chief executive.
- Insist that lower level disputes be settled at that level on a face to face basis
- Keep the atmosphere light.
- Keep enhancing communication technology – email, mobile, ERP etc.

Unions

Negotiation of support of Unions and neutralization of Unions' pressures

- Brief unions on the problems and strengths of the unit and some tentative turnaround plan.
- Get them to suggest turnaround steps
- Seek support, concessions etc. from the unions
- Evolve jointly a broad turnaround strategy
- Keep unions posted on the progress of the turnaround

Banks and Financial Institutions

Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures

- Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan
- Get them to suggest turnaround steps
- Seek support, concessions etc. from Banks and/or FIs

- Evolve jointly a broad turnaround strategy
- Keep Banks and/or FIs posted on the progress of the turnaround

Government

Negotiation of support of Government and neutralization of Government pressures

- Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.
- Get them to suggest turnaround steps
- Seek support, concessions etc. from the government
- Evolve jointly a broad turnaround strategy
- Keep the government posted on the progress of the turnaround

Suppliers

Negotiation of support of suppliers and neutralization of suppliers' pressures

- Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.
- Get suppliers to suggest turnaround steps
- Seek support, concessions etc. from suppliers
- Evolve jointly a broad turnaround strategy
- Keep suppliers posted on the progress of the turnaround

Customers

Negotiation of support of customers and neutralization of customers' pressures

- Brief customers on the problems and strengths of the unit and some tentative turnaround plan.
- Get customers to suggest turnaround steps
- Seek support, concessions etc. from customers
- Evolve jointly a broad turnaround strategy
- Keep customers posted on the progress of the turnaround

Sourcing industry information for quick cost reduction

- Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information

Revenue generation

- Unfocused advertising and promotion be more sharply focused
-

Propositions validated

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address one or more of the communication objectives given in the framework though not necessarily all.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

Proposition P_{2A}: Every company that undergoes a turnaround would necessarily have to address one or more of the critical stakeholders given in the framework.

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Research Methodology

Research Objectives

The overall purpose of the research was to identify communication strategies adopted by companies that have successfully enabled a turn around in the recent past (1995-2005). The study was focused on Indian companies that had turned around from a sick state and shown sustained growth for atleast three years. The objectives of the study were:

- Exploring the importance of communication in the process of managing change
- Identifying communication interventions employed during the change process
- Identifying communication technologies adopted and implemented as part of the change process
- Exploring challenges and opportunities created by emerging technologies
- Identifying resources and skills required to facilitate development and implementation of an effective communication strategy
- Appreciating the variables and their criticality in making a communication strategy effective
- Identifying the challenges faced in developing and implementing an integrated communication strategy for managing change in organizations

- Exploring if any existing theories of communication like exchange model, socialization model or accommodation model have been applied
- Identifying directions for improvement in communication strategies

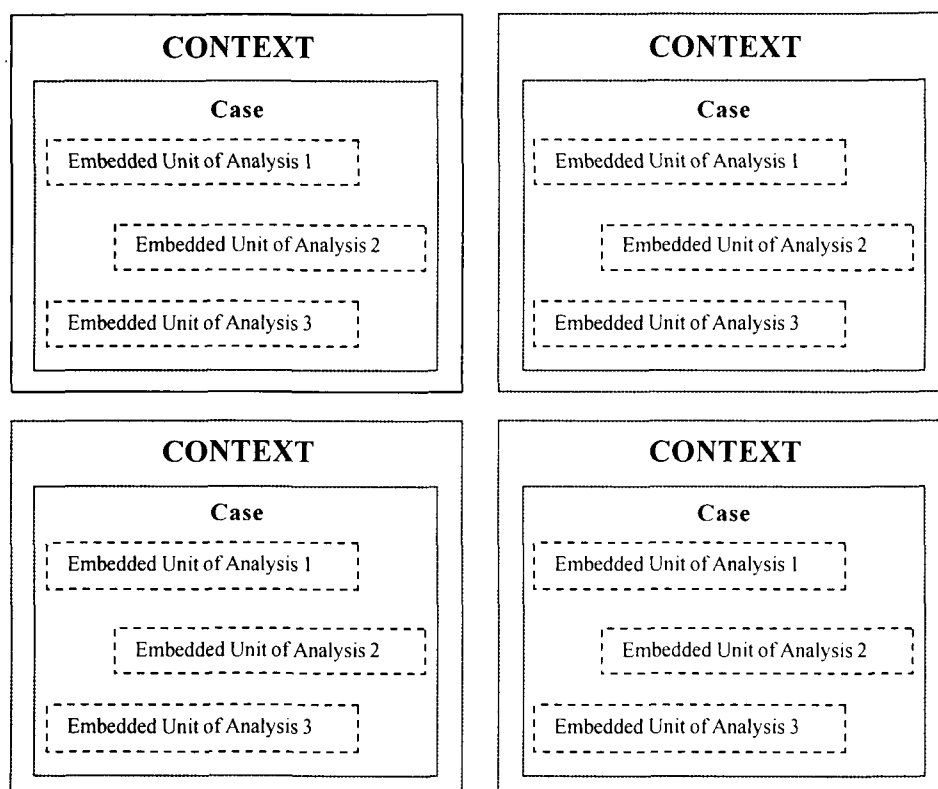
Selection of Research Methodology: Through a rejection process it was decided to adopt a case study methodology for the purpose of this research study. The chapter provides a detailed account of why this research methodology was considered most appropriate for the purpose.

Case Study Technique: A Multiple-Case design is often considered more compelling evidence and therefore regarded as more robust (Herriot & Firestone, 1983).

Unit of Analysis: ‘Turnaround communication strategy’ was the primary unit of analysis and ‘Turnaround communication objectives set for each stakeholder’, ‘stakeholders addressed during turnaround’ and ‘communication interventions for each objective’ were the embedded units of analysis.

Thus, the research design employed was an *embedded multiple-case research design*. (see figure 4.1

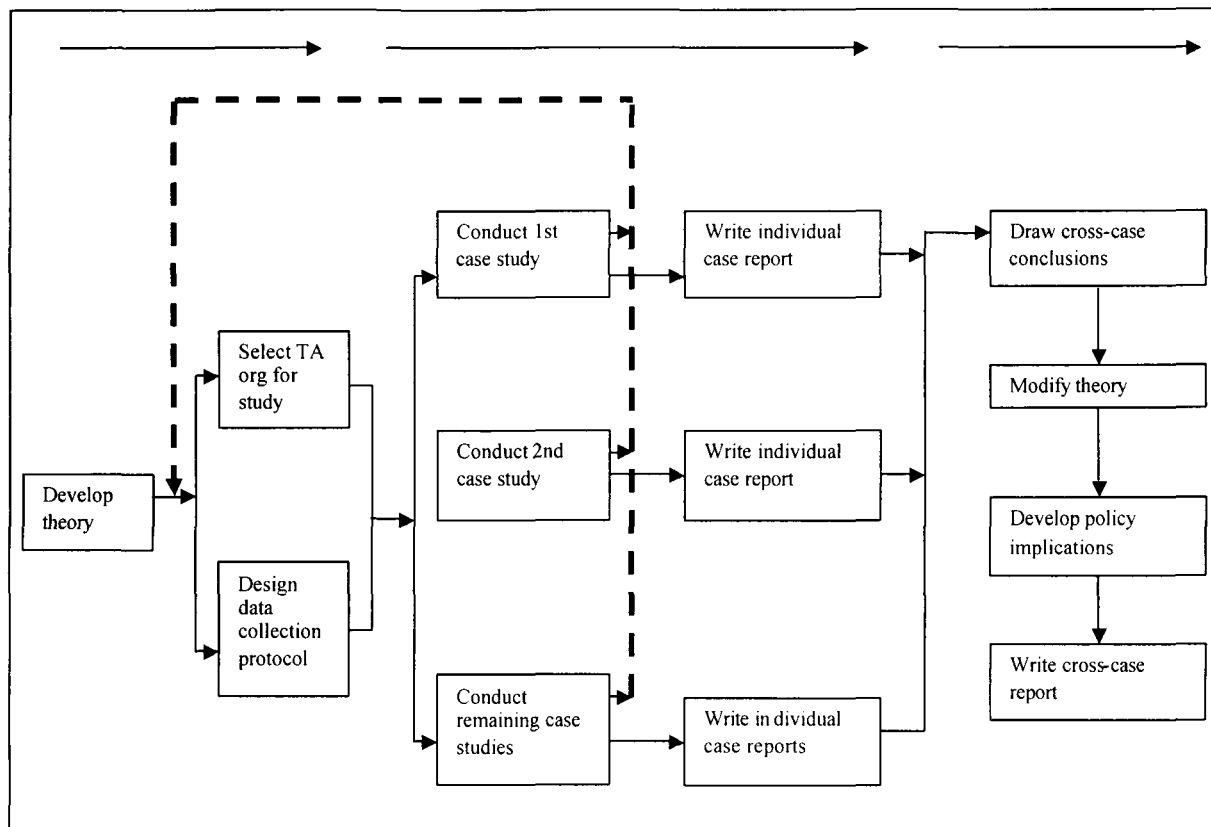
Figure 4.1 Multiple-case designs



Source: Adapted with some variation from Yin, R.K (2003). *Case Study Research: Design and Methods*, p40. 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series

Linking Data to Propositions: The replication logic is analogous to that used in multiple experiments (Hersen & Barlow, 1976; Yin, 2003). Literal replication on successful organizational turnarounds was employed. The process that was followed is given in figure 4.2

Figure 4.2: Protocol Adopted for Case Study Method



Source: Adapted with some variation from Yin, R.K (2003). *Case Study Research: Design and Methods*, p50, 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series.

Scope of Study: For the purpose of this study, some critical terms were defined as follows:

Change: Organizations target changes of various kinds such as diversifying into new markets or changing its product mix or globalizing or becoming transnational or enabling a turnaround (the list is indicative only) for the purpose of this study, focus was maintained on only one kind of change, as communication challenges in each kind of change could be different. The intent was to understand if there were common communication challenges in

one kind of change initiative and whether a comprehensive communication strategy could be suggested for such a change initiative.

Change can be an ongoing process in an organization or it can be a radical change. Communication challenges in each case can be very different from those in the other type. Study of change as an ongoing process requires a longitudinal study. Since the Doctoral research was to be carried out in relatively shorter duration, it was decided to study a *radical change initiative*.

In the recent past, many organizations faced turbulent times due to demands of globalization, increasing competition, shrinking margins, crowded marketplaces, cheaper labour etc. Many companies that could not quickly adapt to the changing scenario, failed miserably. Some companies, however, took the bull by the horns and enabled a turnaround for themselves. This kind of turnaround is perhaps one of the most radical change that a company can attempt. Communication challenges are expected to be significant during such an initiative. Therefore, for the purpose of this research, it was decided to study communication strategies during *turnarounds*.

Type of Turnaround: There are three kinds of turnarounds, namely, economic, industry and organizational turnaround. For the purpose of this study, focus was maintained on *organizational turnaround*.

Maturity of the organization being studied: The challenges before an organization during different phases of maturity are different. These may range from issues concerning delegation, co-ordination to collaboration in the first, second and third phase of maturity respectively. It was decided to select companies in the fourth phase of maturity. This was to ensure homogeneity in the sample.

Thus, for the purpose of this research, turnarounds in organizations that had matured to the *fourth level of maturity* in times of good organizational health were selected for study.

Net Worth: Net Worth of a Company is its paid up capital plus its free reserves.

Sick Organization: If the performance declined to an extent that the networth of a Company turned negative (that is the accumulated losses exceed the networth) then the Company was defined as a sick organization.

Turned around Organization: For the purpose of this study, it was decided that organizations that had turned around from a sick state (negative net worth) to a healthy

growth (positive net worth for some years) be selected for study and henceforth be termed as turned around companies in this research work.

To ensure that these organizations were at one time in the fourth stage of organizational cycle, only those organizations listed on a stock exchange were to be selected for study.

Turnaround Cycle time: Prior research into business turnaround differs with regard to the length of the turnaround cycle. Bibeault (1982), Poston, Harmon & Gramlich, (1994) and Schendel, Patton & Rigs (1976) used a turnaround cycle time period of *eight years* (four years for the downturn and four for the upturn). Chowdhury & Lang (1996), Hambrick & Schecter (1983), Pearce & Robbins (1993), Smith & Gunalan (1996) and Smith & Graves, (2005) each used *four years* (two years for the downturn and two years for upturn).

For the purpose of the current study, in order to ensure that the turnarounds were relevant in current context, it was important to select turnarounds that happened in the recent past. It was therefore decided that the point of turnaround of networth of the organization to be selected for study should be within the last ten years (1995-2005).

A turnaround cycle of eight years would have been too long as the number of organizations that could be picked up for study could be too small. Also, the recall and interest of the turnaround management could fade in such a long span of time. On the other hand six years of turnaround cycle time was giving a decent sample and naturally was offering a more confirmed sample and a wider study period than that offered by a four year turnaround cycle. for this study, it was therefore decided that a turnaround cycle of six years (three years downturn and three years upturn) be used.

Turnaround Organizations selected for research study

1. Financial information of all the 5780 Companies whose information was available from the CMIE Prowess² databank was sourced. Prowess posts and updates information of listed companies only. The information sourced was for the period 1995-2005.
2. 705 Companies were found to have gone sick at some point of time between 1995 to 2005.

² Prowess is a corporate database service from the Centre for Monitoring Indian Economy (CMIE). The database incorporates the profit and loss statement, balance sheets, cash flows, products manufactured, raw materials consumed etc.

3. From the 705 Companies, the net worth of 39 Companies was found to have remained negative for at least three years and then turned around to positive net worth for at least three years (turnaround cycle time – 6 years).

However, after collection of secondary data or if after initial interaction with a Company, it was found that:

1. the Company had just emerged from its initial gestation period and started making profits or
2. the management refused to share information then the cases were rejected and not included in the research study.

The rest of the companies that were identified to study, were contacted and the Companies whose top management agreed to spare time and share views were selected for the purpose of study for this research work. The list of these 9 companies selected thereof is given in the table 4.3.

Table 4.3: Companies that turned around and were identified for this study

S. No	Company	Industry	City
1	Amrit Banaspati Ltd.	Food & Beverages (Vanaspati)	Ghaziabad, UP
2	Howrah Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
3	Naihati Jute Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
4	Namburnadi Tea Co. Ltd.	Food & Beverages (Tea)	Kolkata, W Bengal
5	Vegetable Products Ltd.	Food & Beverages (Vanaspati)	Kolkata, W Bengal
6	Indian Polyfibres Ltd.	Textile	Lucknow, UP
7	Asia Fab	Textile	Mumbai, Maharashtra
8	Tasty Bites	Food & Beverages (Packaged Food)	Pune, Maharashtra
9	Empee Sugars and Chemicals Ltd	Food (Sugar)	Nellore, Andhra Pradesh

Data Collection Protocol

The research tools employed were detailed and research data collection protocol was defined thereafter.

Research Tools: The research tools employed were:

Personal Interviews

Indicative Guide

Secondary sources of information: Historical facts were built to whatever extent possible from secondary information, to conduct interviews as the most substantive part of building the case study and to collect factual information with the help of an indicative questionnaire/guide and any relevant artifacts or secondary information from the primary source. For analysis of the factual information collected, the option of quantitative analysis (non-parametric) was kept open.

Collection of Data: During the period, October-December 2005, primary data was collected through semi-structured interviews with either members of the board of Directors and/or top management who were involved in the turnaround process.

Special attention was paid to the content and feelings of the experiences shared. To make sure that minimal and if possible no bias appeared in the information collected and that the entire context of what was shared was captured, all the interviews were conducted personally. The researcher visited the premises of most of the Companies to get a better understanding of the context. These Companies were spread across the country and hence collection of primary data involved traveling to Delhi, Ghaziabad, Mumbai, Pune and Kolkata. For all the interviews conducted, complete notes were made and audio recording of interviews was also done to ensure that no information was missed out.

This data was further supplemented by secondary data collected from internal sources. This secondary data was in the form of annual reports, minutes of the meeting, presentations etc. The availability of the same was dependant on the companies' willingness to share such information. As themes emerged and relationships got established, discussions via telephone and email were used to fill in remaining gaps in the data and to explore contradictory or disconfirming evidence.

Steps taken to guard the quality of research: Protocol for ensuring validity and reliability of the research was defined (see Table 4.4.)

Table 4.4: Ensuring validity of the Qualitative Research

Measure	Case Study Tactic adopted, as far as possible	Phase of research in which tactic was employed
Construct validity	<ul style="list-style-type: none"> • Multiple sources of evidence employed • Chain of evidence established 	<ul style="list-style-type: none"> • Data collection • Data collection
Internal Validity	<ul style="list-style-type: none"> • Pattern matching done • Explanation building done • Rival explanations addressed • Logic models used 	<ul style="list-style-type: none"> • Data analysis • Data analysis • Data analysis • Data analysis
External Validity	<ul style="list-style-type: none"> • Replication logic used 	<ul style="list-style-type: none"> • Research Design
Reliability	<ul style="list-style-type: none"> • Case Study Protocol/ Audit Trail used • Case Study Database prepared 	<ul style="list-style-type: none"> • Data Collection • Data Collection

Source: Adapted for this work from Yin, R.K (2003). *Case Study Research: Design and Methods*, p34 , 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series

While all measures suggested in literature to ensure the reliability and validity of the case studies will be observed, the outcome of the research work will be presented as purposive and not prescriptive. The findings and conclusions will be proposed for further investigations by other researchers to establish generalizability.

An alternative perspective to judging qualitative research is to judge the authenticity and trustworthiness. This paradigm relies on the interpretive view of reality rather than the realist view held by quantitative researchers. This view recommends careful attention to ensure credibility, transferability, dependability and confirmability (Daymon & Holloway, 2002: 92-94). Strategies for ensuring these parameters such as peer debriefing, demonstration of an audit trail, data and methodological triangulation, thick description and reflexivity (see limitations of research study) have been candidly adopted to ensure a high quality qualitative research work.

Observations and Analysis

The chapter presents case studies of 9 companies (given in Table 4.3) that had turned around during 1995-2005. Each case study is followed by an analysis of the context of communication during turnaround and framework of communication strategy adopted for organizational turnaround.

Results and Discussion

This chapter presents ***cross-case synthesis*** to test the propositions and validate the framework of communication strategies for organizational turnaround.

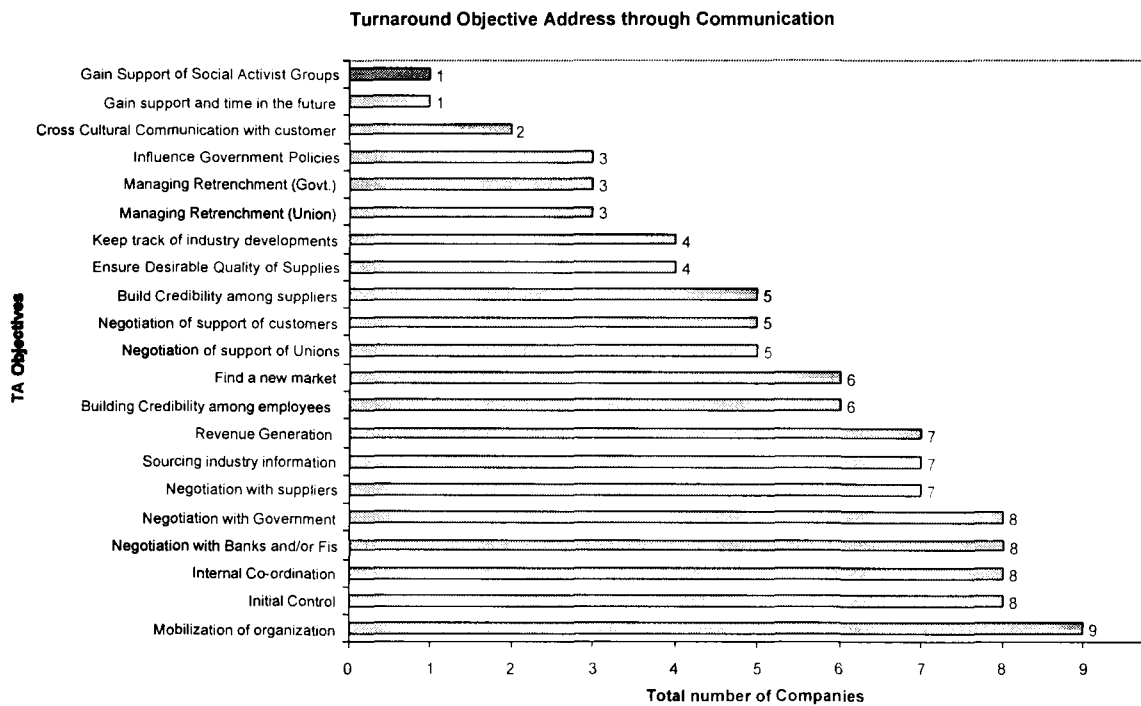
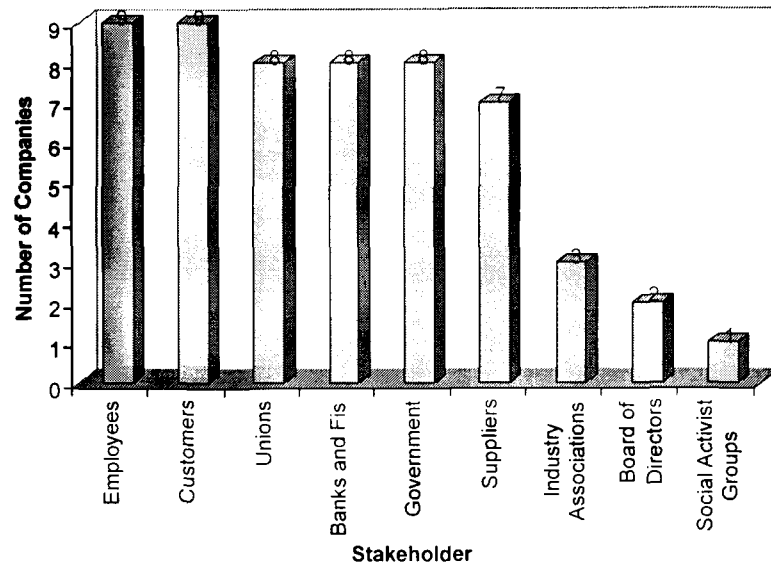
Of the 6 propositions made, P_{1A} , P_{2A} and P_{3A} were found to be true for all the 9 case studies. However, P_{1B} , P_{2B} and P_{3B} were not found to be true for all cases and hence rejected. The 6 Propositions evaluated on the basis of cases written for different organizations, studied as part of this research study, revealed that the list of stakeholders, objectives and communication actions prepared from the literature review were mandatory to the extent that one or more of the objectives and communication actions suggested to achieve these thereof, were adopted by each turnaround management during turnaround. However, all the three lists – stakeholders, objectives and actions proposed in the theoretical framework were incomprehensive. Discussion of Proposition thus indicates that in all organizations without exception, communication played a role in enabling turnaround elements/ objectives.

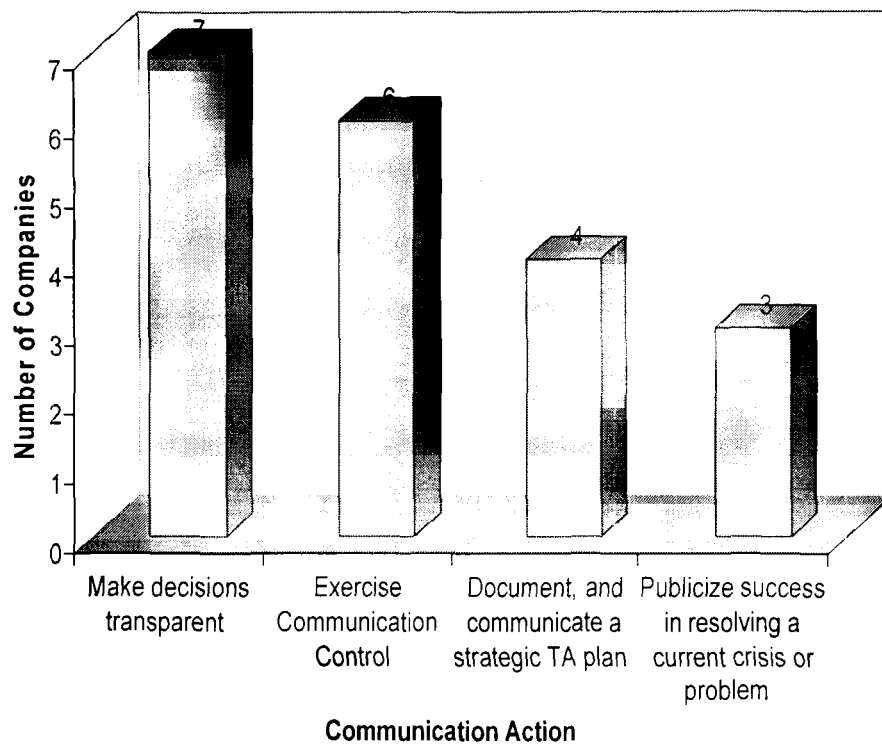
On the basis of further discussion and analysis of the cases it was concluded that while each of the companies was conscious of the ***impact*** that communication could have and was consciously strategizing its communication actions, the action strategy was not documented as a ‘communication strategy document’. Interestingly, the pattern of documentation in the turnaround literature was found to be similar. While there was enough evidence to substantiate the need for a communication strategy during turnaround, no separate study was found on the subject. The need to develop a communication strategy to enable an organizational turnaround was therefore established.

The framework proposed initially was augmented by adding to the framework the stakeholders, objectives identified for each and the communication action to achieve, identified in this study.

This new framework was then analysed. Frequency of companies that employed each of these was tabulated and pictorially depicted in this chapter. These indicate which stakeholders/objectives or communication actions were more popularly employed by these

companies. Twenty five analytic tabulations and pictorial depictions clearly indicate how each variable was employed by each company studied. Three samples of the twenty five analytic pictorial depictions are given below:





The *criticality* of each component of the communication framework proposed, was found to vary from one company to another. On the basis of cross-case discussion and analysis, it was concluded that criticality of communication with various stakeholders varies owing to numerous factors ranging from variation in financial capabilities of the turnaround management, background of the turnaround management, product or customer requirements, industry etc. Thus, it was found that the results of this research study supported the contingency theory or the RBV theory as the turnaround management is expected to understand its own unique situation and identify the TA objectives suitable for its unique situation. The Communication Strategy framework suggested hereof may then be consulted to understand what communication intervention turnaround companies have been employing to address those objectives.

Communication Resources for implementing CS for OTA

In order to analyze the communication technologies employed during turnaround, Table 6.8 (*Appendix 6.4*) was prepared to reflect the approach of the 9 companies studied and discussion reveals that communication technologies were adopted extensively but companies were also maintaining conscious control on use of technology. While LAN was widely implemented, WAN was yet to gain popularity. ERP was adopted by several companies.

While all the companies accepted the potential benefits of the ERP, implementing it to full potential was seen as a major effort. Internet and SMS were also not found to be popular media for communication during turnaround of the companies studied.

Conclusions and Recommendations

Lack of attention to Communication, in current turnaround literature

On the basis of literature review, role and impact of communication during turnaround was established. Although no turnaround study was found to be completely devoted to *communication during turnaround*, several turnaround studies mentioned the role and impact of communication during turnaround. (Balgobin & Pandit, 2001; Harker & Sharma, 2000; Khandwalla, 1989, 1992; Kow 2004; Meliones, 2000).

Need to constantly align managerial decisions to environmental reality

Case studies of 9 companies that had turned around during 1995-2005, were written. Each case study was analysed to identify whether it's sickness was due to environment or managerial decision making or misalignment of the two. The results support the arguments of Sheppard & Chowdhury (2005) who asserted that "failure is not typically the fault of either the environment or the organization, rather it must be attributed to the misalignment of the organization to the environmental realities". The results of analysis of various cases support this view. ABCL took ten years to realign itself to changes brought in by globalization of Indian economy and the loss in the process was so significant, that it had to close down one of its units producing hydrogenated oil. AFL realized that there was rampant excise evasion in the industry and one of its units could not survive unless it aligned itself to the environmental reality. It resolved to maintain its ethical standard; it closed down the unit and diverted its energy to find an alternative route. TBEL realized that it had launched RTS food much before the Indian consumer was ready to consume it. It was eventually forced to switch its focus on markets abroad where the environment was ready to accept their products. The results are interesting as in the first organization (ABCL) the company owing to inability to realign in time was forced to close down one of its units; in the second organization (AFL) it purposely decided not to align itself to the environmental demands and therefore changed its future course. The third organization (TBEL) accepted the new reality and quickly realigned itself to the environmental demands and thereby exhibited a very quick recovery. Thus, the results support the view that both environment and managerial decisions contribute towards defining the fate of an organization. They further support the view that often managers make inadequate managerial decisions owing to blindness to environmental change (ABCL) or

resource constraints or inadequate information etc. and may make wrong managerial decisions that finally lead to sickness in an organization.

Turnaround: a miraculous achievement

From a list of 5787 listed companies (source: Prowess, CMIE), 705 companies were found to have turned sick during 1995-2005. However, only 39 companies from these 705 (7.69%) were able to turnaround. When these companies were contacted for research study, 6 companies were found to have just turned around owing to equity brought in by the promoter but were still struggling to set themselves on the growth path. It is evident from this result that turnaround in sick organizations is a miraculous achievement worth a study and that many organizations, when faced with such tough times, may land up into any of the new states ranging from liquidation, languishing, struggling to turnaround.

Sick state: A result of disabling forces emanating from stakeholders

When an organization is in a sick state it faces numerous internal and external challenges Richardson, Nwankwo & Richardson (1994) note that such crises, damage the quality of life for the different groups of people associated with the organization. for example, at a personal level, big emotional and social costs are incurred as the organization becomes a less rewarding place in which to work (employees) or with which to do business (suppliers, customers, banks etc.). Organizational restructurings, lay-offs, redundancies, customer delivery breakdowns and failures to pay creditors, for example worsen traditional standards of working and living for a host of stakeholders. These challenges act as disabling forces emanating from various stakeholders and directed towards the sick company and also each other. They are depicted in Figure 3.2. In each of the organization studied, the results support the view, as each turnaround management interviewed, shared its experiences of challenges faced in dealing with various stakeholders.

Central role of top management

In order to turnaround a sick Company, the theoretical model proposed in this study purported that the first and foremost condition for initiation of turnaround effort was that the top management took responsibility of enabling a turnaround of the sick company. (Harker & Sharma, 2000; Hofer, 1980). Other researchers have emphasized on the importance of role of triggers and necessary managerial role of recognizing and analyzing these triggers to enable a turnaround. (Francis & Mariola, 2003; Gopinath, 2005; Scherrer, 2003). Khandwalla (1989) went to the extent of outlining 'Change in Top Management' as an essential element for

turnaround. This was depicted in the Chapter 3 Figure 3.3 by placing the management into the central position and indicating it as the entity that now managed the enabling and disabling forces emanating from other stakeholders. The exhibit further depicted the role of managerial action required, to manage these forces, to enable a turnaround. The results of this study support the theoretical proposal, as in all organizations studied, the management, when the promoter and management were separate and the management otherwise was responsible (IPL, NTCL), and the promoter management when the two were the same (TBEL, ABCL, NJMCL, HJMCL, AFL), consciously assumed responsibility to turnaround the ailing company. In all the cases, the management was clear on the objectives it had set for each stakeholder, to achieve the turnaround. The managerial actions taken thereafter resulted in the change for the better.

Role of communication: an undocumented reality

It is notable that none of these 9 companies had separately documented a communication strategy or plan though all of them had strategized the actions to be taken. Partial documentation under varying titles was noticed in different companies studied. TBEL termed its mobilization efforts as *Fun at Work* programmes while NTCL employed what they call a *two-way communication model* for regular monitoring. ABCL on the other hand said it documented its decisions as minutes of the meeting while ESCL insisted that communication planning was an important regular ongoing process.

Proposed theoretical framework: mandatory but incomprehensive

Each component of the theoretical framework proposed in Framework 3.2, was completely or partially employed by all the 9 companies studied. This is to say that every turnaround management addressed atleast one of the objectives for atleast one of the stakeholder listed in the framework. It was also established that for the objective addressed, atleast one of the listed communication actions was employed by the turnaround management. However, the set of Proposition tested, further established that each of the framework components – list of stakeholders, objectives and communication actions, was incomprehensive.

Framework 6.1: a more comprehensive framework

The proposed communication framework in chapter 3 Framework 3.2 was augmented by adding to the list of stakeholders, the additional stakeholders that the 9 companies studied, had addressed. Similarly, the list of objectives and the communication actions employed thereof, by each company studied, were compared with the list of objectives and

communication actions mentioned for each stakeholder and the lists given in the framework were augmented. The resulting framework given in Framework 6.1 is proposed as a more comprehensive framework than that proposed in Framework 3.2. The validity of the framework is established as it is based on primary research data though whether it takes care of all the possible situations or challenges in different organizations is still not established.

Most frequently addressed stakeholders

A closer look at the stakeholders addressed during turnaround revealed that the 6 stakeholders mostly addressed by the 9 companies studied, were employees, unions, customers, banks and financial institutions, government and suppliers. Most of the turnaround strategy literature deals with employee communication (Balgobin & Pandit, 2001; Harker & Sharma, 2000; Khandwalla, 1989; Kow, 2004a, 2004b; Meliones, 2000) though Harker & Sharma (2000) also indicate the need to present a detailed turnaround plan to Board of Directors and Banks and Financial Institutions, to gain their support. However, Khandwalla (1989) in his study additionally identified communication actions adopted to address objectives set for unions, government, suppliers and customers.

The results of the present study indicated that these six stakeholders were addressed most frequently by the 9 companies studied. Further, management of all the 9 companies studied, addressed the employees and the customers for some turnaround objective. The other four stakeholders however were not essentially addressed by managements of all the 9 companies studied.

New Stakeholders: less frequent though critical

The two additional stakeholders addressed by some of the companies studied and not mentioned in the theoretical framework proposed, were Industry Association and Social Activist groups. TBEL had to address a social activist group as this group actively interacted with the union and the workers, and could influence the latter. To ensure that no anti-establishment sentiment was promoted, the management interacted with the group, as and when required. Ravi Nigam shared how they had to address the hostile perceptions of this group towards the American origin of the new promoters.

Both ESCL and NJMCL actively participated in the industry association activities as voicing their concerns to the government or interacting with peers to keep track of industry developments, had a significant *impact* on their business. In case of ESCL, the government's decisions on sugar levy and in case of NJMCL the government's decision on JMPA were very

critical. These companies had to remain updated on latest industry developments. Also, owing to their strong positions in the industry associations, they could influence the government and hence attempted to benefit from the clout. Thus, these two stakeholders though not addressed frequently cannot be rejected as less critical.

It is therefore recommended that a turnaround management must consciously identify the stakeholders that may have the capacity to affect the company's performance.

Most frequently addressed objectives

The 10 most frequently addressed objectives by the 9 companies studied, were found to be: mobilization of organization, initial control, internal co-ordination, negotiation of support of banks and FIs and neutralization of their pressures, negotiation of support of government and neutralization of its pressures, negotiation of support of suppliers and neutralization of their pressures, sourcing industry information for quick cost reduction, revenue generation, building credibility among employees, ignore current market and find a new market.

The results supported the literature as the 9 most frequently addressed objectives by turnaround managements of companies studied, were also listed in the theoretical framework proposed originally in Chapter 3 Framework 3.2.

However, the tenth most popular objective, 'Ignore current market and find a new market', identified from the 9 companies studied, was found to be more popularly addressed (6 out of 9 companies addressed it) than the two objectives (negotiation of support of Unions and neutralization of Union's pressures and negotiation of support of customers and neutralization of customer's pressures) listed on the basis of literature review in the theoretical framework given in Framework 3.2.

Additional Objectives identified: Nine new objectives namely, 'ignore current market and develop new market', 'build credibility among suppliers', 'ensure desirable quality of supplies', 'keep track of industry developments', 'managing retrenchment', 'influencing the government policies', 'ensuring cross cultural communication with customers' and 'gaining and neutralizing the support of Social Activist groups' were identified. The number of companies that addressed these objectives varied (6 for 1st objective, 5 for 2nd and 4 for next 2 objectives, 3 for next 3, 2 for 1 and 1 for last 2 objectives). As discussed in chapter 6 *Results and Discussion* the importance of these objectives was high. The list prepared by assimilating these objectives is presented in Framework 6.1 and is more comprehensive than that proposed on the basis of literature review.

Most frequently employed communication actions/ interventions

Table 6.7 indicated frequency of communication actions that the 9 turnaround Companies had adopted to achieve a given objective. It was implicated from this table that those communication actions that were employed by most of the companies to achieve a given objective, have a significant impact on the outcome of the attempt to achieve the objective.

Some of the more frequently adopted communication actions (7 or more companies adopted these actions) were ‘make decisions transparent’, ‘inject urgency in the communication plan’, ‘deal with concerns of employees in an open and honest manner. Offer feedback sessions’, ‘articulate a few highly concrete targets for the company for the next few months’, ‘top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff’, ‘keep enhancing communication technology’, ‘offer constant feedback to keep the organization on track, ‘seek support and concessions etc. from Banks and/or FIs’ , ‘keep Banks and FIs posted on the progress of the turnaround’, ‘seek support, concessions etc. from the government’ and ‘brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan, ‘focus advertising and promotion to be more sharply focussed’, All these objectives were also listed in the initial proposed framework developed from the literature. Thus, the findings support the turnaround literature.

New Communication Actions/Interventions identified

Forty one new communication actions/ interventions have been added to the initial framework and presented in Framework 6.1. This new list of 100 communication actions adopted by turned around companies is thus more comprehensive. Further studies may be done to make it still more comprehensive, if possible.

Net Surfing: A skeptical though essential acceptance

While all companies studied, provided net surfing facilities to its employees, some of them have highlighted benefits of providing these facilities in common computing areas. These benefits include increased interaction, improved time management, higher resource sharing, security checks and better discipline.

Email: an official but monitored communication channel

All companies studied, employed email as an official channel of communication. However, some companies adopted a policy of monitoring the email communications for reasons such as security and cross-cultural communication gaps.

LAN more popularly implemented than WAN

While LAN was implemented to smoothen the communication flow within an office, several companies were found to be still struggling to have a WAN in place.

ERP: a daunting challenge, worth the effort

All companies that had employed ERP package agreed that implementing ERP was a major expense for a company reviving from sickness. However, all of them also agreed that it was a major challenge to implement it owing to the discipline required to reap its benefits. There was also a consensus that ERP implementation brought with it a significant improvement in performance

Not so popular Communication technologies

Many communication technologies such as SMS and websites still did not seem to have made a mark in proving their worth to reviving companies. These technologies were not extensively employed by the companies studied.

Honing Communication Competencies: a prudent approach

It would be pertinent to mention here that even for the limited number of organizations studied in this research work, no consistently applicable communication strategy was found. The strategy varied depending on the unique situation in which the organization was poised.

Thus, any management preparing to turnaround a company can benefit from the communication strategy framework presented in this study in Framework 6.1, if it integrates it with the turnaround strategy of the company by prudently identifying the turnaround objectives for each stakeholder.

Limitations of the Study

This chapter identifies the limitations of the study. The findings of the study propose a communication strategy for enabling organizational turnaround. The turnaround communication objectives, stakeholder communications and communication interventions have been studied. Organizational and managerial communication actions for enabling the turnaround of a sick company have been recommended. However, no research endeavour is final and there are limitations too. In this section, limits of this research are captured:

- Case studies were primarily based on interviews of members of the top management. Their biases and perceptions might have affected their discourse of the turnaround

experience. While an attempt to verify facts from secondary sources was made, there is scope for more thorough verification.

- It was observed that many turnaround managements had not discretely identified a communication strategy. Thus, they left it to the researcher to identify communication elements or strategy from their turnaround experiences. It is possible that many experiences of communication interventions were not shared. A repeat study on the same pattern and methodology may make the list of stakeholders, objectives and communication interventions more comprehensive.
- It was observed in many organizations that the top management was reluctant in sharing some information. Some information therefore may not have been shared.
- The study focused on the strategy adopted by the top management and not on how it was perceived by other stakeholders. It was assumed that a successful turnaround was indicator of successful strategy. Further study may include views of other stakeholders too.
- Communication amongst various stakeholders also impacts turnaround. Further studies may focus on effect of these communications.
- Given more time, a validated questionnaire on various communication dimensions could have been developed and administered to add more rigour to the study.
- The conclusions of this study are not generalizations. These are suggestive and not prescriptive.

Directions for Future Research

This chapter maps the direction for future research in future studies. Keeping in mind the limitations and also the increasing importance and interest in the subject, the following section suggests scope for future research:

- This study focused on the strategy adopted by the top management and not on how it was perceived by other stakeholders. A study that includes views of other stakeholders could provide better understanding of communications during turnaround.
- Communication amongst various stakeholders also impacts turnaround. Further studies may focus on effect of these communications.

- Communication patterns in different regions may vary owing to differences in cultural variations. Comparison of communication in organizations from different regions may give revealing results.
- While cultures in a country, especially as diverse as India, cannot be called homogenous, yet one could expect variations in communication patterns adopted in different countries. Thus, other studies based on the same design but carried out in other countries could uncover several findings.
- This study has adopted the replication logic. Further studies may adopt theoretical replication and study communication strategies employed in sick companies. A comparison of communication patterns in turned around successes and turn around failures may further support the outcomes of this study.
- It is possible that communication strategies of organizations following theory E and organizations following theory O may differ. Further study exploring variations in communication strategies in organizations adopting these different theories of change may be undertaken.
- Content analysis technique can also be applied to study communication strategies for turnaround.
- Further studies may explore quantitative methods to measure impact of communication on turnaround.
- A study of communication pattern in the next phase (growth) of these organizations may reveal variation in communication strategies adopted during turnaround and communication strategies adopted during growth.

Thanks



COMMUNICATION STRATEGIES FOR ORGANIZATIONAL TURNAROUND

*A study to explore the role and impact of
communication in enabling change*

THESIS

submitted for the award of
Ph.D (BUSINESS ADMINISTRATION)

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To the best of my knowledge and belief the thesis has not formed the basis for the award of any other Degree / Diploma / Associateship / Fellowship or similar title, to any candidate of this university or anywhere else.

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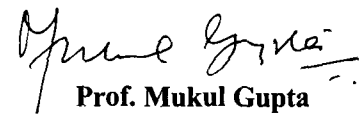
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Prof. Mukul Gupta

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Date: 31 January 2007

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DECLARATION

I do hereby declare that the thesis entitled “Communication Strategies for Organizational Turnaround: A study to explore role and impact of communication in enabling change” submitted to the Faculty of Management Studies and Research, Aligarh Muslim University, Aligarh, India, for the award of the degree of Ph.D. (Business Administration) is a record of original work done by me under the supervision and guidance of Prof S.M. Ozair, Professor, Department of Business Administration, Faculty of Management Studies and Research, Aligarh Muslim University, Aligarh, (Internal Adviser), and Prof. Mukul Gupta, Professor and Dean Continuing Education, Management Development Institute, Gurgaon, Haryana, India, (External Adviser), and it has not previously formed the basis for the award of any Degree / Diploma / Associateship / Fellowship or other similar title to any candidate of any university.


Gita Bajaj

Place *Gurgaon*
Date *31 January 2007*

THESIS

ACKNOWLEDGEMENTS

THESIS

Paul Cohelo in his book *The Alchemist* beautifully illustrates how the entire universe converges to fulfill desires that come from deep within. As I pursued this research, I experienced the phenomena and I am deeply indebted to all those who supported me during the course of my journey. I was as if on a rollercoaster ride, finding myself up in the sky one moment and experiencing a free fall moments later. I thank the almighty for giving me this experience that I have thoroughly enjoyed and would remember for a long time to come.

I wish to extend my most sincere thanks to my two supervisors Prof Mukul Gupta and Prof S M Ozair for the guidance and support during the course of this research. Prof Mukul Gupta for showing me the light whenever I was groping in the dark; for being a constant source of inspiration; for knowing when to insist on quality and when to let go – for the hand-holding without which it would have been difficult for me to pursue this research. Prof S.M. Ozair, for his critical inputs and timely guidance, persistent reminders of importance for sincerity of effort and true presentation of facts backed with sound logic that encouraged and ensured good quality unbiased analysis and reporting. I also wish to thank Prof. Javaid Akhter, Dr. Israur Haque, Dr. Mohd. Naved Khan and Dr. M. Kalid Azam for providing guidance and insights.

If there is one person who I cannot thank enough, it is the Director of my workplace, MDI, Dr. Pritam Singh, who not only supported me but also ensured that I never lost track and constantly focused on the single goal of completing my research work. My thanks also to – Prof Ashok Kapoor, for sharing my teaching load and allowing me time for this study; Prof D. Sanyal whose advice and support, always at the right time, was invaluable; my friends and colleagues Prof Jyotsna Bhatnagar, Prof Bappadutta Mukhopadhyay, Prof NR Bhusnurmath, Prof Neelu Bhullar, Prof Ajay Jain, Prof Abhishek Nirjar, Mr Sanjeev and Ms Preeti Dhandwani for the protracted academic discussions and research inputs at various points of time. I extend my thanks to Dr. D. P. Agrawal, Prof K.B. Raina and Dr. J.L. Saha for mentoring me in the initial stages of my work. I also thank Virender Dagar, Dharampal, Kusum and the MDI library staff for their support in assembling the thesis and collecting the research material.

I feel blessed to have a family that supported me in ways far more than what I could have ever dreamt of. My heart-felt thanks to my husband Ranesh, who was both a friend and a guide – always enduring and supporting me in my endeavour; and to my

children Viren and Saksham who spared their precious time, which was far too long for them to spare at their age. I thank my parents-in-law for their advice and for being so understanding and supporting, during this period. Last but not the least; I thank my parents and my sister, who have lived every bit of my work, perhaps as much as I have – my mother for her prayers and my father for being with me in my most difficult phase.

I feel blessed to have an eternity of well-wishers and I thank all of them for their goodness.

Gita Bajaj

PREFACE

‘Communication for enabling change’ has been a favoured research topic, in recent times. Numerous studies have documented the role of communication during change. The interest is peaked owing to the high paced changes in the environment, be these due to globalization, ‘glocalization’, deregulation, privatization, mergers, acquisitions, technological advancements et. al. As a result mankind’s inert inertia to change has become all too evident, and several organizations are failing to keep pace with the changing environment. Misalignment between environment and organizations due to faulty action choices of managers, is leading several organizations to their decline. In India, 5147 companies were registered sick with the *Board for Industrial and Financial Reconstruction* (BIFR) during 1987-2004. The rate of turnaround of these sick companies is dismal (7.56%). The change that a management must bring in, in such cases, is radical. However, the research on communication for radical change as in organizational turnaround is miniscule.

Basis the turnaround literature review, this research work establishes that researchers in the past have to some extent noted the role of communication during turnaround. It therefore, proposes a theoretical model for ***Communication Strategies for Organizational Turnaround (CS for OTA)***. Nine listed Indian companies that have been successfully turned around in the last ten years (1995-2005) have been studied using multiple case study technique and an attempt to decipher communication during each turnaround, has been made.

The thesis work that follows, presents the communication case studies of each of the nine companies studied followed by an analysis that tests the hypotheses developed to establish the theoretical framework proposed. A cross-case synthesis of the analysis of each case study, are then carried out.

A communication strategy that details – the possible critical stakeholders, the various objectives that different turnaround managements identified for each of these stakeholders and the communication interventions for achieving each of these objectives, is proposed as the outcome of the study.

This model is purposive and further research to make it more comprehensive and to generalize the model is recommended. As such every sick organization is expected to have its unique set of challenges and hence a unique set of communication strategy for enabling a turnaround. However, it is expected that the strategy can be derived from the model proposed as outcome of the research work that is presented in this thesis.

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List of Abbreviations

1. ABCLAmrit Banaspati Company Ltd.
2. asap.....as soon as possible
3. BIFRBoard for Industrial & Financial Reconstruction
4. BoDBoard of Directors
5. D of VVO&FDirectorate of Vanaspati, Vegetable Oils & Fats
6. ERPEnterprise Resource Planning
7. ESCLEmpee Sugar & Chemicals Ltd.
8. Fls.....Financial Institutions
9. Gol.....Government of India
10. HACCP.....Hazard Analysis and Critical Control Point
11. INRIndian Rupee
12. LANLocal Area Network
13. mn.....million
14. NPA.....Non-Performing Assets
15. PF.....Provident Fund
16. RPCL.....Reliance Petro Chemical Ltd.
17. SMS.....Short Messaging Service
18. TBELTasty Bite Eatable Ltd.
19. WANWide Area Network

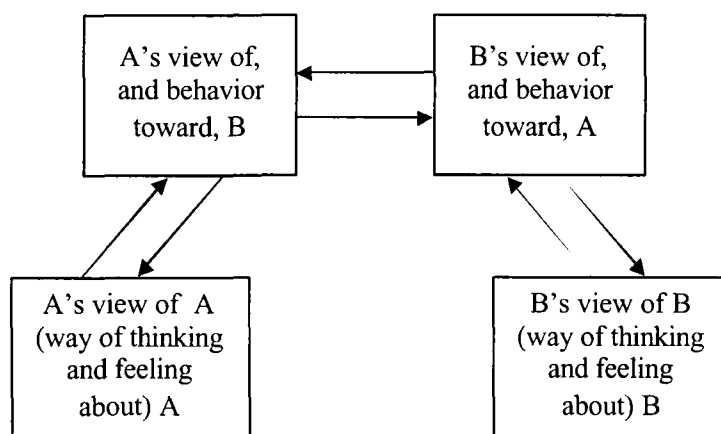
Communication Strategies for Organizational Turnaround: A Conceptual Foundation and Introduction

1

Communication Strategies: Concepts, Models and Perspectives

Concepts and Models: The study of communication as a process dates back to 1940s. Most of the initial communication models focused upon communication as primarily an exchange of information between parties– getting a message from one place or person to another place or person (Berlo, 1960; Schram, 1971; Schram & Roberts, 1971; Shannon & Weaver, 1949; Wofford, Gerloff, & Cummins, 1977). These models evolved from *one way models* to *two-way interaction models* and noted six components namely– source, transmitter, channel, receiver, noise and feedback (Shannon & Weaver, 1949). Later, the interaction models were developed to include sender's and receiver's perceptions of each other and of themselves, the communication context and the wider social and organizational settings in which the communication takes place. The *two-person relationship model* (Turner & Lombard, 1969) suggested that one considers not only each person's explicit behaviour but also how each perceives the other. According to this model, people tend to act in ways that confirm their self-perceptions. It illustrated the strong influence, self-view has on behaviour. The importance of self view, the perceptual point of view, and the concept of organic interdependence (two-way causality) constituted the key ideas in this model. (Fisher, 1994).

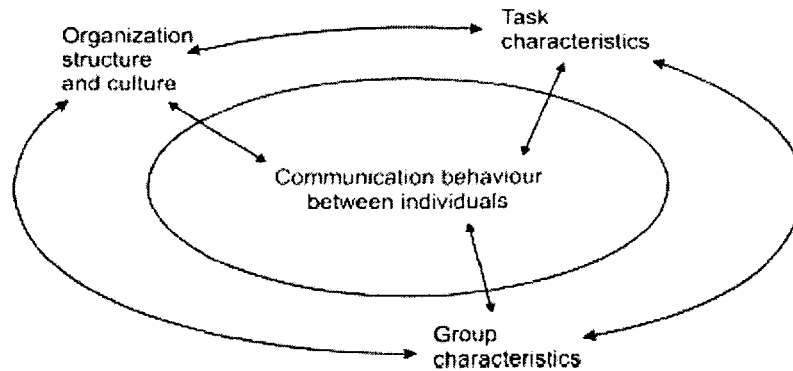
Figure 1.1. The Two-Person Relationship Model



Source: Turner, A.N. & Lombard, G.F.F. (1969). *Interpersonal Behavior and Administration*, p. 12. The Free Press, a division of Macmillan. Copyright 1969 by Arthur N. Turner and George F. F. Lombard

The *communication-in-context model* presented later asserted that all communication happens within some context and revealed three major new organizational factors, namely, group characteristics, organizational structure and culture, and task characteristics (Fisher, 1994)

Figure 1.2. The Communication-in-Context Model .

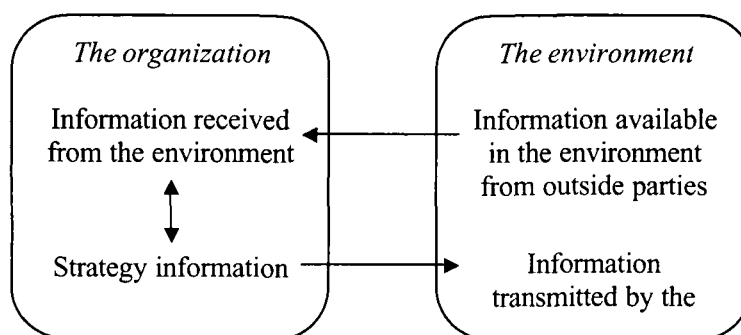


Source: Fisher, D. (1994). *Communication in Organizations*, p.14. India: Jaico Publishing House. Copyright 1994 West Publishing Co.

A system is a set of parts that depend on each other to perpetuate significant aspects of their being (Seiler, 1967). Since the communication-in-context model indicated two way dependence between the constituent parts, it was also termed as *the system model* (Seiler, 1967; Fisher, 1994; Lorsch & Sheldon, 1972).

Organizational communication also includes communications with parties in the environment outside the organization. External parties include clients, customers, suppliers, government officials and agencies, community groups, other organizations

Figure 1.3. The Strategic Model: The Organization-Environment Transaction



Source: Fisher, D. (1994). *Communication in Organizations*, p.16. India: Jaico Publishing House. Copyright 1994 West Publishing Co.

(with which the organization may be competing or cooperating) and the likes. The *strategic model* illustrated that the formation of an organization's strategy depends heavily on the flow of information between the organization and its environment.

Dalmer (1994) suggested that all the five models of communication must be considered together to get a cohesive view of communication which is indeed a complex process. These five models progress from a narrow scope to a much broader one – from the individual communicator to the “big picture” of the total organization in communication with its environment. Taken together the models suggest that there is great value in zooming in and zooming out the focus to explore relationships at different levels.

Varying Perspectives: Communication scholars regard *organizational communication from four perspectives*: the *mechanistic*, *psychological* (Dalmer, 1994; Jablin, 1979), *interpretive-symbolic* (Herbert, 1969), and *systems-interactive* (Putman & Jones, 1982). Implications of varying focus is captured and presented in Table 1.1

Table 1.1. Four perspectives on Organizational Communication

Perspective	Principal Focus	Features/Implications
Mechanistic	Message transmitted through a channel	Focuses on accuracy, choice of channel, amount of information, blocking or facilitating message flow Implies one-way or interaction model
Psychological	The receiver	Perception is selective Individuals act as message interpreters Internal barriers and noise affect the meanings people intend and perceive Contextual factors (as in the communication-in-context model) come into play
Interpretive-Symbolic	Evolving shared meaning	Meanings develop continuously as people interact Communication shapes organization structure and culture and is formed by them in turn People and organizations form, as well as respond to, their environments The two-person relationship, communication-in-context, and strategic models are related
Systems-Interactive	Sequences of communication behavior	Considers external action Identifies recurring patterns of action-reaction that predict outcomes Includes concepts of <i>system</i> and <i>function</i> Interaction, communication-in-context, and strategic models are related

Source: Fisher, D. (1994). Communication in Organizations, p.18. India: Jaico Publishing House. Copyright 1994 West Publishing Co.

Yet another perspective is of communication researchers who have viewed communication flow within organizations from *organizational theory point of view*. Researchers prescribing to the *classical perspective* (Taylor's scientific management theory and Max Weber's

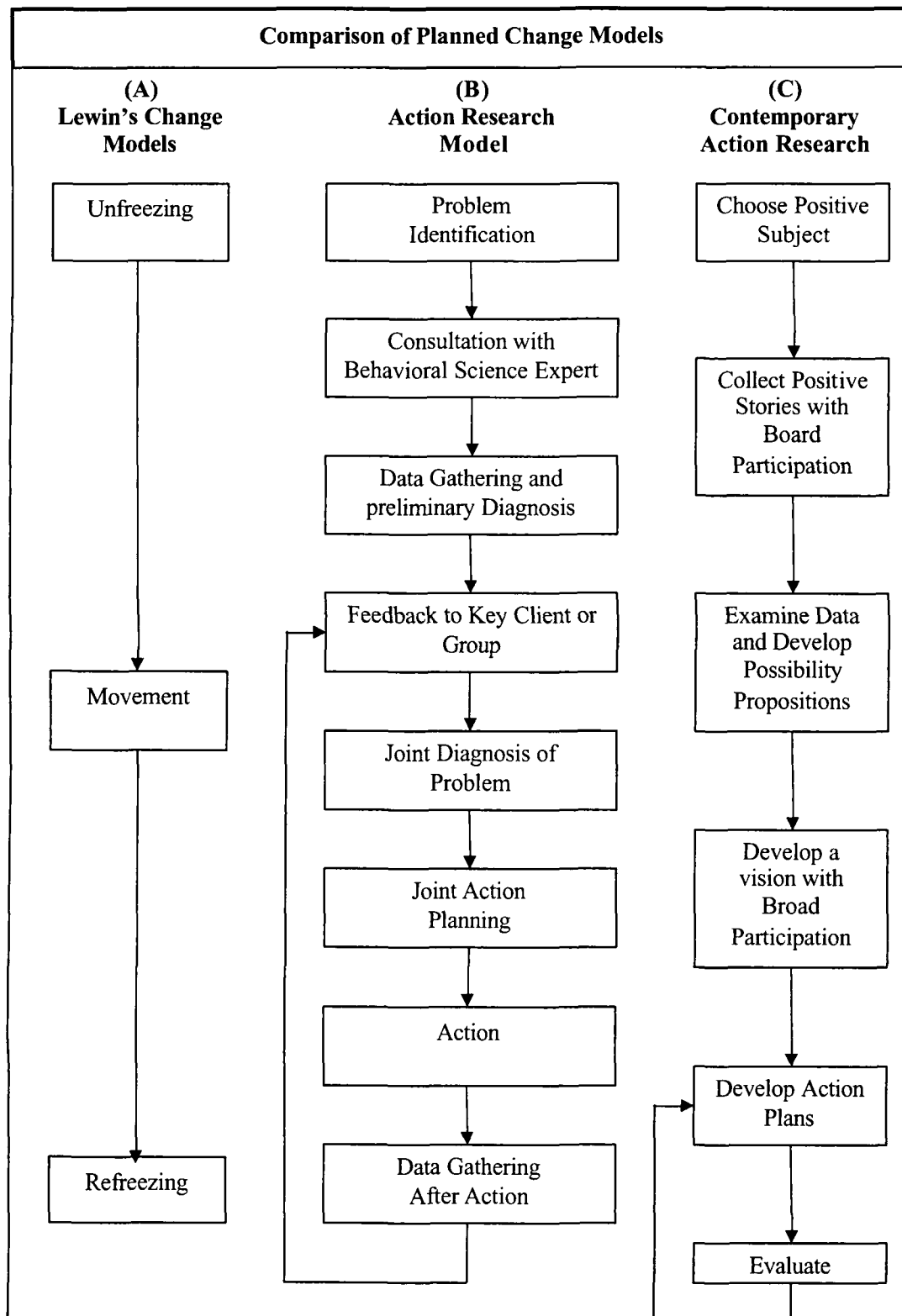
bureaucratic model of organizations), have viewed communication as an instrument of command and control. The flow of communication in this case is more downwards, centralized and formal (Hage, Aiken & Marrett, 1971; Jablin, 1987). Those prescribing to the *human perspective* (the Hawthorne studies, Kurt Lewin's study of group dynamics and McGregor's theory X and theory Y) maintain that the communication flow is less limited and also flows upwards and laterally. The socio-technical theory emphasized that the organizations must facilitate communication that accommodates new technology and serves personal and social needs of the employees. The system model implied that organizational communication includes external communication with customers, communities, governments, suppliers of goods and information, and others to whom the organization must respond and towards whom the organization must direct information and influence. Researchers supporting *integrative perspective* combined the socio-technical and systems perspective and asserted that the communication patterns would vary greatly from one effective organization to another or within the same organization at different times.

The 1970s and 1980s produced a new view of organizations, a shift in perspective from objectivity to subjectivity (Morgan & Smircich, 1980). Morgan metaphorically referred to organizations as machines, organisms, brains, cultures, political systems, psychic prisons, and instruments of domination (Morgan, 1986). From this *contemporary perspective*, communication was seen as a critical element in an organization. The brain metaphor implied that organizations can learn. Whether it does or it does not was said to be dependant on its communication with its environment and among its members. It thus emphasized on the importance of collaborative communication within organizations. Some researchers have asserted that communication is driven by the culture (basic assumptions people make to make sense out of their surroundings) and the communications create culture. Thus, managers and those who attempt to change organizational behaviour have to attempt to change the sense making patterns of its personnel, thus changing how they perceive the 'reality' of the organization. These researchers prescribe to the *culture perspective*.

Organizational Change: Concepts and Models

Change Models: The pace of global economic and technological developments has made change an inevitable feature of organizational life. The *planned models of change* that have received considerable attention are: *Lewin's change model*, the *action research model* and the *contemporary adaptations of action research model* (Cummings & Worley, 2005). These models are presented in Figure 1.4

Figure 1.4 Comparison of planned change models



Source: developed by the researcher

All the three models described the phases in which planned change takes place and depend to varying degree on the knowledge of behaviour science. Lewin's model differed from the other

two in that it focused on the general process of planned change, rather than on specific organizational development activities. Lewin's and action research model emphasize on the role of consultant with limited member involvement in the change process. Contemporary applications on the other hand treat both consultants and participants as co-learners who are heavily involved in planned change. Also, the first two were concerned with fixing problems while the latter focused on what the organization does well and leveraging those strengths. The difference in focus derives from the differences in defining reality as objective or socially constructed (Cummings & Worley, 2005; Gergen, 1985)

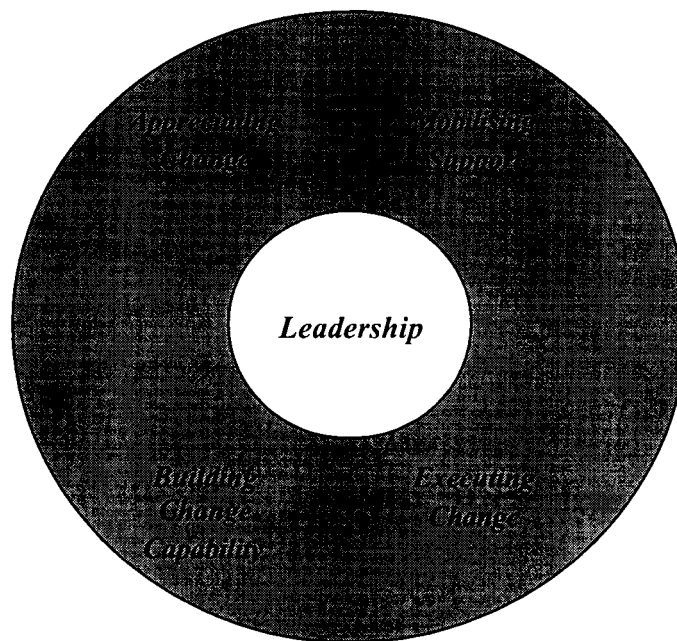
Ramnarayan and Nilakant (2006) assert that change is complex and dynamic and put *Leadership* at the core of any change effort. Their ***change management model*** suggests four core tasks that are crucial to the success of any change initiative in organizations. These are appreciating change, mobilizing support for change, executing change and building change capability. They propounded that failures in change initiatives occur because managers fail to manage one or more of these tasks effectively. Change can be achieved by consciously and consistently attending to four practical points: a) tuning to the external environment and people's mindset b) influencing and persuading people and strengthening communication c) architecting change through cross-functional collaboration and challenging goals and d) creating positive contexts that enable people to have faith in their own capabilities, experiment, take risks and learn.

On the basis of their study of failed effort of organizational transformation they proposed that an organizational change requires four leadership roles, namely, cognitive tuner, people catalyser, systems architect and efficacy builder for the four different tasks propounded in their model.

Srinivasan (2006) presented the ***organizational effectiveness model*** developed to perform organizational diagnostics to facilitate transformation at Fritolay India (see Figure 1.5). The model was built around four dimensions – vision and direction, organization and people, business processes & systems and the Frito Lay way. The key questions posed thereof were why and where to, who and what, how to and way to change.

Kurt Lewin's theory propounded that there are powerful ***forces that resist change***. The main reasons for resisting are: no felt need to change; fear of the unknown; fear of changed relationships; threats to status and influence; organization structure; and lack of resources. Several researchers have suggested resistance reducing approaches. The most prominent being support (Cummings & Huse, 1989), education (Gersick, 1991) and participation (Cummings & Huse, 1989).

Figure 1.5 Change management model with leadership at its core



Source: Ramnarayan, S. & Nilakant, V. (2006). Altering mindsets: Heart of complex change. In P. Singh, J. Bhatnagar & A. Bhandarker (Eds.), *Future of work: Mastering change*, p. 331. New Delhi: Excel Books. Copyright 2006 Authors

Some organizational experts criticized the assertion that all changes are fundamentally alike. Arguing that situational factors can vary, they preferred a *contingency framework* in which an organization's approach to change depends on the situation.

Porras and Hofer (1986) presented ***common behavioural changes in successful organization change efforts***. These are presented in Table 1.2.

Researchers have also indicated that significant ethical issues can exist in any planned effort (Cummings & Huse, 1989; Hellreigel, Slocum & Woodman, White & Wooten, 1983). French and Bell offer a set of ethical standards for planned change as given in Table 1.3.

Table 1.2. Common Behavioural Changes in Successful Organization Change efforts

Behavior Category	Description
<i>All Organization Levels</i>	
Communicating openly	Behaviors promoting or reflecting the direct giving and receiving of information relevant to getting the job done
Collaborating	Behaviors promoting or reflecting the involvement of relevant persons in the processes of identifying and solving problems
Taking responsibility	Behaviors reflecting acceptance of responsibility and taking initiative in carrying out organizational tasks
Maintaining a shared vision	Behaviors reflecting a clear formulation, understanding, and commitment to organizational philosophy, values, and purposes and a commitment to high standards
Solving problems effectively	Behaviors reflecting a problem-solving orientation to difficult organizational issues
Respecting/supporting	Behaviors demonstrating respect and support for others as worthwhile individuals
Processing/facilitating interactions	Behaviors reflecting attention to and use of human process issues in one-on-one, group, and intergroup situations
Inquiring	Behaviors reflecting a probing, inquiring, diagnostic orientation to the organization and its environment
Experimenting	Behaviors promoting or reflecting an openness to trying new things
<i>Managerial Level</i>	
Generating participation	Behaviors involving relevant persons in important organization decisions
Leading by vision	Behaviors shaping, communicating, modeling, and reinforcing organizational goals, values, purposes, and high work standards
Functioning strategically	Behaviors reflecting a systemic and long-range perspective on organizational matters
Promoting information flow	Behaviors increasing the overall amount of information in the organization
Developing others	Behaviors that develop the knowledge, skills, and competency of subordinates and others in the org

Source: Porras J.I. & Hofer S.I. (1986). Common Behavior Changes in Successful Organizational Development Efforts. *The Journal of Applied Behavioral Science* 22, no. 4: 485.

Table 1.3 Ethical Standards for planned change

Principles	Unfreezing	Stages Changing	Refreezing
Redundancy and multimedia aids retention	Multimedia campaign delineating rationale, of objectives, planning activities and expectations	Frequent multimedia delivery including outcomes as they occur	Use of media to celebrate success as warranted with phase out as new process is institutionalized
Face-to-face medium is effective	Group meetings at each level of the hierarchy	Group meetings at each level of the hierarchy	Reliance on supervisor at each level to convey change - relevant information with senior management playing a key role regularly but less frequently than in other stages (e.g. awards assembly, semi-annual progress report .etc.)
Effectiveness of line management as communications channel	See above with senior management of each unit presiding at stage setting meetings	Emphasis on delivering information through line management. Special emphasis is placed on the top and consistent knowledgeable participation of each supervisory level	
Direct supervision as key communicator	Meetings subsequent to stage setting are conveyed and run by unit supervisor		
Opinion leaders as key communicators	Opinion leaders are kept completely abreast of all relevant information through face-to-face meetings	Same as in unfreezing	Same as before
Personal relevance of interpretation	Expectations concerning personal impact of change should be conveyed via unit management and supervisors	As more information becomes known, supervisors disclose relevant personal and job-related information to subordinates. Especially job and role expectations as each person may be affected	This information is becoming increasingly accessible from personal experience but should be conveyed by supervisor when necessary. Clarifying personal impact is essential
Communications should be consistent and reinforcing	All communiqués should carry the same message and be consistent with organization's core values as appropriate	Same as unfreezing except more attention is placed on details as they become known	Reaffirmation of successes in supporting core values and meeting objectives

Source: Fisher, D. (1994). Communication in Organizations, p.498 India: Jaico Publishing House. Copyright 1994 West Publishing Co.

Kotter and Schlesinger presented general strategies for overcoming resistance to change. These are presented in Table 1.4: Cummings and Huse (1989) identified human process issues, technology/structure issues, human resource issues and strategic issues as the four interrelated issues that all organizations face when undergoing change. They also suggested *interventions to address resistance to change*. These are interrelated and presented in the Figure 1.6, *types of planned change interventions and organizational issues*

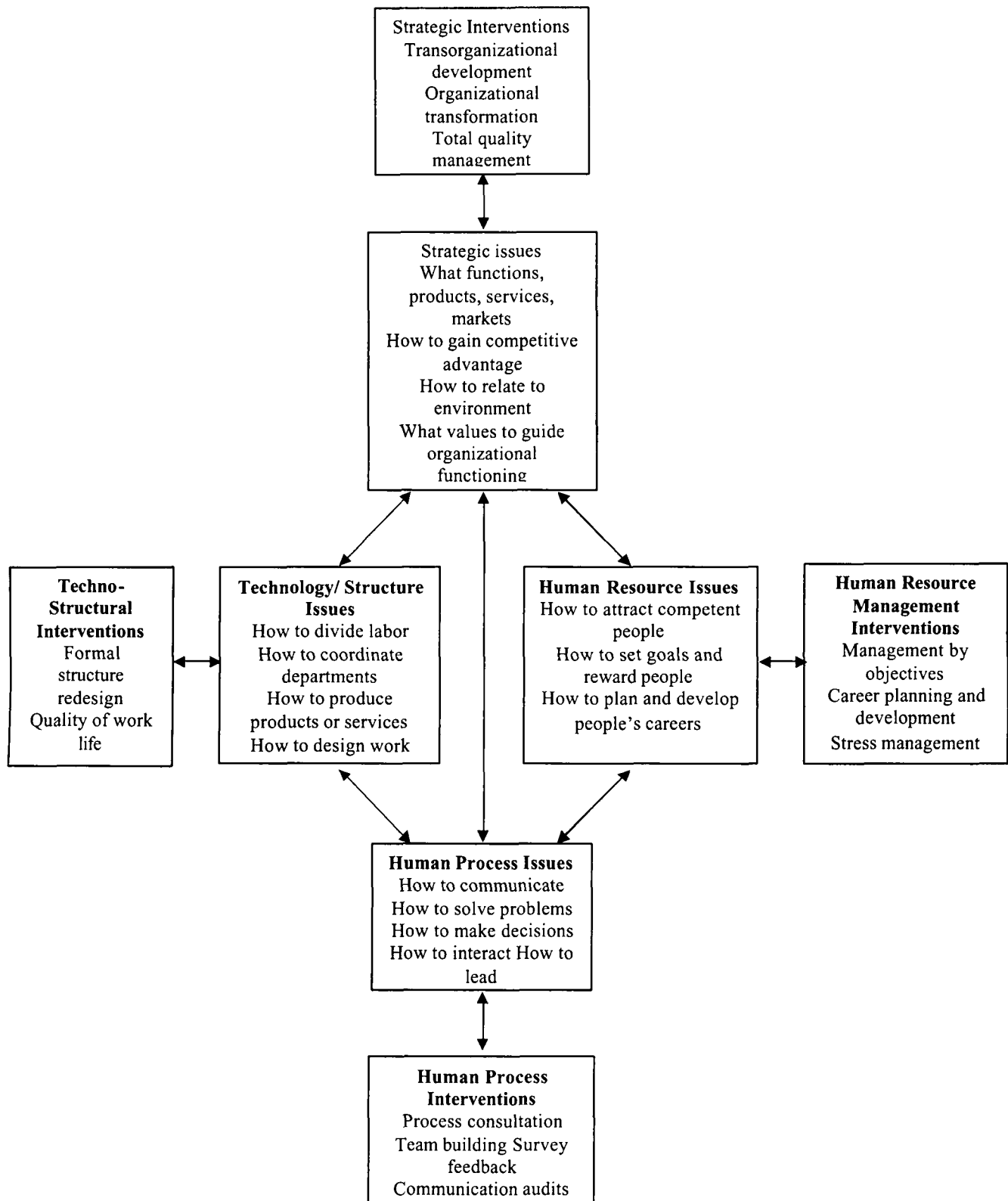
There are interrelationships within the four areas and it is important to integrate the interventions in each area with activity in other areas (Bowditch & Buono, 1990; Cummings & Huse, 1989; Hellreigel, Slocum & Osborn, 1992; Schermerhorn, Hunt, & Osborn, 1991).

Table 1.4. General strategies for overcoming resistance to change

Approach	Commonly Used in Situations	Advantages	Drawbacks
Education + communication	Where there is a lack of information or inaccurate information and analysis	Once persuaded, people will often help with the implementation of the change	Can be very time-consuming if lots of people are involved
Participation + involvement	Where the initiators do not have all the information they need to design the change, and where others have considerable power to resist	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan	Can be very time-consuming if participators design an inappropriate change
Facilitation + support	Where people are resisting because of adjustment problems	No other approach works as well with adjustment problems	Can be time-consuming, expensive, and still fail
Negotiation + agreement	Where someone or some group will clearly lose out In a change, and where that group has considerable power to resist	Sometimes it is a relatively easy way to avoid major resistance	Can be too expensive in many cases if it alerts others to negotiate for compliance
Manipulation + co-optation	Where other tactics will not work or are too expensive	It can be a relatively quick and Inexpensive solution to resistance problems	Can lead to future problems if people feel manipulated
Explicit + implicit coercion	Where speed is essential and the change initiators possess considerable power	It is speedy and kind of resistance	Can be risky if it leaves people mad at the initiators

Source: Kotter & Schelesinger (1979). *Choosing strategies for change*. Harvard Business Review. Copyright 1979 by the President and Fellows of Harvard College.

Figure 1.6 Types of planned change interventions and organizational issues



Source: Cummings, T.G. & Huse, E.F. (1989). *Organization Development and Change* (4th ed.), p 128. St. Paul: West Publishing Company. Copyright 1989 by West Publishing Company.

French and Bell (1990) emphasized on advantages of *external consultants* as they would be less easily drawn into organization's norms and thus be freer to examine the organization from a broad objective viewpoint. The guidelines given by French and Bell to change practitioners included the following: See the organization, not an individual, as the client; develop mutual trust; avoid being the trust; intervene at the appropriate depth; avoid becoming part of the culture; practice what you preach (Fisher, 1994).

Organizational Change and Communication Strategies

Introduction: In his article, "Leading Change: why transformation efforts fail", Kotter (1995) listed "under-communication" as one of the major reasons of why change efforts do not succeed. He stated:

"Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured" (Kotter, 1995).

A study done by Melcrum publishing revealed that the single most important factor in building a committed and loyal workforce is to involve the senior leaders in internal communication efforts. This challenge is to involve not just the CEO or senior most official but a greater challenge identified was to involve the second rung i.e. the Vice-Presidents or GMs. The major challenges were identified to fall in four categories: lack of time, Unwillingness to communicate, lack of communication skill, and behaviour determined by style of leadership. Most people do not fully comprehend the necessity for change or how it ultimately might affect them. Despite a Company's communication effort, rumours, mostly negative are abound.

Varying Perspectives: Scholars have been studying communication and change from several perspectives such as *barriers to communication* (Galpin, 1995; Kotler, 1995), *disclosure during crises* (Kaufman, Kesner and Hazen, 1991), *role of conversations and dialogues in leading change or bringing about intentional change* (April, 1999; ford, 1995) and even advocating smart-talk as detrimental to change (Pfeffer, Jeffrey & Sutton, 1999). The second half of 1990s witnessed an increasing number of studies focused on management communication strategy for change (Klein, 1996). Most of these studies directed attention

towards role of and *strategies for internal communication* (Adams & Roebuck, 1997; Barret, 2002; Kitchen, 2002; Proctor, Tony & Doukakis, 2003). Klien (1996) asserted that incrementally implemented change that may be non-inclusive at the start can be a fertile ground for rumours, anxiety and ultimately resistance. *Barret (2002) suggested a generic strategic employee communication model* for major change, which could be merger, acquisition, new venture, new process improvement approach or any other form. Kitchen (2002) explored the link between *change, change management and internal communication*. This change could have been strategic or operational but made in order to perpetuate survival and growth. Proctor and Donkakis (2003) looked at introduction of *change in management structure of a large public sector organization*. The definition of change is thus very broadly defined by various researchers. However, the inclination of research studies is tilted more towards employee communications during change.

Kitchen and Daly (2002) discussed, how Matheson and Matheson's (1998) *factors that impede successful implementation of change management*, highlighted the pivotal role of employees in effective change management. Pfeffer (1978) and Mintzberg (1983) noted the role of *organizational political processes* while Matheson and Matheson (1998) looked at how information concerning change is disseminated within organizations and how that information could be interpreted by employees. Several researchers have asserted that employee engagement in the change process is a determining factor, in whether organizational change is achieved or not (Clarke and Clegg, 1998; Heller, 1998; Kanter, 1983; Peters & Waterman, 1982; Porter, 1985).

Depending on their perception of the organization they communicate positive or negative messages to external publics, constituencies or stakeholders such as community members, key influentials, financial groups, politicians, and consumer groups (Kitchen, 1997).

Stuart Klein (1996) developed a communication strategy model relating seven communication principles to stages of organizational change. The model is presented in Table 1.5:

Table 1.5. Management Communication Strategy for change

	Unfreezing	Changing	Refreezing
Organizational objective	Readying the organization for change Challenging the Status Provision of rational	Beginning the process Developing momentum Evaluating Pilot efforts	Reinforcing the change Shoring up weaknesses and correcting deficiencies Making the change demonstrably successful Institutionalizing the change
Organizational activities	Planning the organizing for change Assembling resources Designing Structure Training personnel Targeting change areas Collecting baseline data Soliciting participates input	Implementing change in selected areas Monitoring impact of change Modifying or fine tuning process as warranted Extending changes as warranted	Broadening the change to all appropriate areas Rewarding Successes Solidifying supporting monitoring organizational Structures
Communication needs	Explaining issues, needs, rationale Identifying and explaining directives Identifying and explaining first few steps Reassuring people Informing management cadre	Informing employees of progress Getting input as to effect of the process Developing sophisticated knowledge among all supervisory management Challenging misconceptions Continual reassurance of employees Delineating and clarifying role relationships and expectation	Publicizing the success of the change Spreading the word to employees

Source: Klein, M.S. (1996). A management communication strategy for change, p. 39. *Journal of Organizational Change Management*, 9(2).

Thus, we notice an increasing interest in strategic communication for managing change. This change as discussed above is very broadly defined by different researchers and the communication efforts studied are mostly internal. However, Barret (2002) notes that analytical phase for change communication is often the phase a management will omit or minimize because they fail to recognize its significance or fail to see communication planning as strategic, to allowing the time and attention it needs.

Organizational Turnaround

Range of Definitions: In the turnaround literature, a range of definitions have been used to define *distress*, some based on change in either simple or industry-adjusted accounting ratios such as return on assets and some others based on stock returns. Altman (1968) popularized the Z- score as a measure of a firm's likelihood of bankruptcy. In the UK, Z-score model used by Banks and industrial firms was developed by Taffler (1983, 1984). Firms with a negative Z-score are classified as potential failures, as their financial profiles resemble those of previously bankrupt firms. The model, developed using linear discriminant analysis techniques, takes the following form: $Z = C_0 + C_1 X_1 + C_2 X_2 + C_3 X_3 + C_4 X_4$ where $X_1 \dots X_4$ denote the financial ratios and $C_1 \dots C_4$ the coefficients that are proprietary.

The turnaround of sick companies has been a subject of great interest to research scholars, consultants and managers (Bruton, Ahlstrom & Wan, 2001; Chanda 2002; Collins, 2001; Mone, Mickinley & Barker III, 1998). Varying definitions of organizational turnaround have been adopted by research scholars and practitioners. Schendel, Patton & Riggs (1976) defined turnaround as reversal of a firm's pattern of performance decline. Furman and McGahan (2002) defined it as a change in business segment profitability from the lowest quintile among all businesses in a specific year to the highest quintile among all businesses in any subsequent year covered in the dataset. Yet another definition of turnaround compared the *performance* of the business segment during both its early poor years and its later superior years with the performance of all other businesses, regardless of whether they are in the same industry (Sudarsanam & Lai, 2001). This broad definition allows for the possibility that either industry-level factors or idiosyncratic factors drive the turnaround. BIFR, Board for Industrial and Financial Reconstruction, the appellate authority set up by the Government of India determines sickness in an industrial company on the basis of four criterion: (i) the accumulated losses of the company to be equal to or more than its net worth i.e. its paid up capital plus its free reserves (ii) the company should have completed five years after incorporation under the Companies Act, 1956 (iii) it should have 50 or more workers on any day of the 12 months preceding the end of the financial year with reference to which sickness is claimed. (iv) it should have a factory license.

Types of turnarounds: There are many types of turnarounds and differing circumstances within each type. The principal types of turnarounds are: the *management process turnaround*, the *economic or business cycle turnaround*, the *competitive environment turnaround*, the *product breakthrough turnaround*, and finally, the *government related*

turnaround. The management process turnaround accounts for two-thirds of the turnarounds and Bibeault (1978) referred to it as the only “real” kind of turnaround.

In a management process turnaround, the principle reason for decline is management problems and the key factors changed to accomplish the turnaround were management processes. It includes the fundamental correction of culture of the Company. The economic or business cycle turnaround affects cyclical industries. These industries have their up and down periods amplified. While both decline and upswing may be attributed to economic shifts, companies that perform poorly cannot blame the economy or their industry from a fundamental standpoint. This is because the economic turnaround is not just a joyride up the roller coaster. Keeping things together during the downturn and keeping the business alive long enough for the economy to turnaround requires a tough management effort. The competitive turnaround is one in which the turnaround is attributed to the economic and competitive factors such as increased industry volume or competitive price increases. Researchers however assert that not all companies in a given sector in a given place and time may turnaround to exhibit similar growth paths, thereby demonstrating the critical role of management in this turnaround process as well. The product breakthrough turnaround accounts for about 4% of the turnarounds and take two major forms: breakthroughs in consumer tastes and technical or scientific breakthroughs. The Government-related turnaround are related to a major change in government procurement policies such as dissolution of contracts; a major shift in regulation such as environment controls; or direct government assistance for bridge financing etc.

Turnaround strategies: Turning around a sick Company usually requires a turnaround strategy. The development of turnaround strategy is a complex process which happens in a demanding context. Timelines are usually short, and the need to build on a rapid analysis of the position of the troubled company is usually acute. Turnaround managers are seldom afforded the luxury of time to prepare the ground for change, as crises demand attention and stakeholders seek assurances and results (Harker & Sharma, 2000). Several researchers have studied the turnaround strategies (Gowen & Tallon, 2002; Kow, 2004a, 2004b) and found that organizations have adopted different approaches in turning around companies.

Turnaround responses are also categorized as strategic and operating. **Strategic turnarounds** focus on changing or adjusting the business; the firm is currently engaged in and consists of major long term moves such as diversification, vertical integration, new market share initiatives and divestment. **Operating turnarounds** focus on the way a firm currently conducts its business and involves short run tactics geared towards cost cutting, asset reduction and

revenue generation. (Hofer, 1980; Schendel, Patton & Rigs, 1976). This generalization was later challenged by Chowdhary (2002) who suggested that a combination of strategies may be appropriate for a particular type of turnaround and the stage of decline at which the turnaround is attempted.

According to views of one set of researchers retrenchment, defined as a reduction in firm assets and/or costs, was strongly associated with Return on Investment (RoI) increases and other performance increases for declining textile firms. Therefore, retrenchment should be an integral component of any turnaround strategy for declining firms (*theory O*) (Robbins and Pearce, 1992). The other set of researchers purport that retrenching firms have on an average steeper performance declines. They contend that Robbins and Pearce recommendations contradict the existing turnaround theories and recommend strategic change as the primary route through which firms with weak strategic positioning recover (*theory O*) (Barker and Mone, 1994; Schendel, Patton & Rigs, 1976; Hofer, 1980). They warn that engaging in retrenchment activities may decrease a firm's chance of recovery (Grinyer & Spender, 1979; Herdberg, Nystrom & Starbuck, 1976). Beer and Nohria (2000) later suggested an *alternative to theory E* (change based on economic value) and *theory O* (change based on organizational capability) by combining the hard and soft approaches to change.

Process of turnaround: While research on the content of successful turnaround strategies (what to do) is common, research on the process by which such strategies are implemented (how to do it) is rare (Balgobin & Pandit, 2001). Turnaround has been seen to proceed through *several stages*. Balgobin and Pandit (2001) classified the process into five stages, namely, Decline and crisis, triggers of change, recovery strategy formulation, retrenchment and stabilization and return to growth. Bibeault (1982) identified five discrete stages of the turnaround, namely: the management change stage, the evaluation stage, the emergency stage, the stabilization stage and the return-to-normal-growth stage.

Literature also focuses on *key factors* in turnaround success. The four key factors widely accepted are: new competent management with full authority to make all the required changes; an economically and competitively viable core operation; 'bridge' capital from external and internal sources to finance the turnaround; a positive attitude and motivated people so that initial turnaround momentum is sustained (Bibeault, 1987). Several organizational factors influence turnaround actions taken by the change agents. These factors are group characteristics, ownership, corporate strategy, structure, systems, industrial relations, organizational culture and leadership (Maheshwari, 2000).

The ***leader in a turnaround situation*** is the architect and implementer of the turnaround strategy. The four characteristics and skills that a turnaround leader must possess include: an entrepreneurial instinct coupled with professional management skills; broad business experience; expert negotiating skills and expert interviewing skills (Bibeault, 1987). Lately, the researchers have also attempted to understand the Board dynamics and Board and management relations and roles in governance and turnaround. (Barker & Barr, 2005; Daily & Dalton, 1995; Mellahi K, 2005)

The regional context: It is clear from the current body of literature that the models of turnaround from the West are not uniformly applicable to Asia. Culture and the institutional environment coupled with different stages of development of Asian economies limit the usefulness of models derived from studies of turnaround in more developed economies. In addition, enablers of change and restructuring in Asia also differ, making different approaches to turnaround possible (Ahlstrom & Bruton, 2004). Countries of Asia, while sharing many similarities, enjoy enough differences to require the study of phenomena within specific country contexts. Thus, researchers need to be clear on points of similarities and differences around the region to control country differences in the study of turnaround. (Ahlstrom & Bruton, 2004).

The issue of stakeholders and their role in the turnaround of organizations in Asia is one that also deserves greater attention. Government is a key stake holder in Asian countries. In many nations such as India and Korea, unions can also be major stakeholders while in other economies such as that of China, HongKong and Singapore, they play a minimal role.

Organizational Turnaround and Communication Strategies:

A gap in the literature

Organizational change has emerged as an imperative for organizational competitiveness and survival. Amongst various initiatives the most radical one is organizational turnaround of sick companies

As discussed, environment has become increasingly volatile and the percentage of sick Companies turning around and setting themselves on a growth path is very low. However, the literature survey reveals that turnarounds are happening and many researchers are working in the area. The literature also indicates that factors affecting turnaround are embedded in regional contexts. The need for study in Indian context is therefore established. Most of the studies documented are of companies in US or UK. Many researchers have identified a gap in turnaround research in developing countries and in Asia.

The literature also details the role of communication during change. But very few studies have been done to establish role and process of communication in enabling a turnaround. Organizational turnaround is a change effort that requires a large number of stakeholders to change their individual behavior. Coordination of stakeholders is thus at the core of governance during radical environmental change. (Meyer, 2004). The role of communication receives attention when several elements such as leadership, motivation, image of the organization are dealt with. Communication is thus seen to play a role in enabling essential elements of turnaround. Thus, turnaround literature documents the role of communication as part of implementation process for several turnaround elements.

However, not many studies have concentrated to explore whether a communication strategy is adopted by turnaround managements or not. A study of communication during turnaround of Indian organizations may perhaps reveal communication strategies that successful turnaround managements have been adopting. Such a study on one hand would enrich the literature and on the other hand may prove worthwhile for managements striving for an organizational turnaround. A research to explore role of communication and propose a communication strategy to enable organizational turnaround is thus warranted and hence attempted hereof.

Literature Review

Role of Communication during Organizational Change

Change literature widely documents the important role that communication plays in the production of change. Several writers have stressed on the role of communication in the change process even to the extent of suggesting that change is a communication problem that can be resolved by having people understand the change and the role they play in its implementation (Kotter, 1990). In this context, communication is seen as a tool for announcing and explaining change, preparing people for the positive and negative effects of change (Jick, 1993), increasing other's understanding of and commitment to the change (Beckhard & Pritchard, 1992; Morgan, 1998) and reducing confusion about and resistance to change (Kotter, 1990; Schlesinger, 1979). Communication has also been seen as a tool for diffusing dissatisfaction with the status quo in order to inspire people to change (Beer, 1980; Spector, 1989), as a mechanism for sustaining the change (Kritpatrick, 1985) and as a way to receive feedback on what change means to people and how they believe it will affect them (Kanter, Stein & Jick, 1992). It is considered a critical element in enabling people to change their attitudes and behaviours (Beckhard & Pritchard, 1992; Beer, Eisenstat, & Spector, 1990) and in their gaining ownership of the change. Kanter, Stein and Jick (1992) suggested that the key roles communication plays are providing and obtaining information, creating understanding, and building ownership.

The role of internal communication during change management has interested several researchers over the last two decades. Kitchen and Daly (2002) published a conceptual paper to explore the nature of the link between change, change management and internal communications. They delved on theoretical contributions in each of the domains and explored how internal communication contributed to the successful implementation of change process.

Klien (1996) put together some empirically founded communication principles and proposed that they can constitute a communication strategy. These principles were: message redundancy is related to message retention; the use of several media is more effective than the use of just one; face-to-face communication is a preferred medium; the line hierarchy is the

most effective organizationally sanctioned communication channel; direct supervisor is the expected and most effective source of organizationally sanctioned information; opinion leaders are effective changers of attitudes and opinions; and personally relevant information is better retained than abstract, unfamiliar or general information. He then combined the set of principles with Kurt Lewinian model of change and proposed a model of communication strategy for change that also detailed the objectives, activities and communication needs for each stage of the change model.

A strategic employee communication model with best practice definitions, demonstrating a change communication approach to improving employee communications was proposed by Barret (2002). According to him, employee communication must play a strategic role in an organization to work effectively. That strategic role means that communication must be integrated into the Company's strategy and recognized for its strategic implications and effects. The traditional communication messages and media are at the heart of the model but the direct link to the company's strategic objectives and the business planning process and the overlay of supportive management with an on-going assessment of individual and company communication, move the model from tactical to strategic. Further, Barret asserted that there should be a one-to-one correlation between what the Company has established as its strategic objectives and what is listed as the objectives for communications. In addition, the communications must be structured to translate the central strategic messages (from vision to performance or financial goals) to all employees. Other important best practices defined in the model included supportive management, targeted messages, effective media/ forums, well positioned staff, ongoing assessment and integrated processes.

Several researchers have asserted that organizational efforts fail due to employee resistance to change. Proctor & Doukakis (2003) studied management structure and communication in a large public organization and concluded that the key to successful implementation of change lied in effective communication. Internal communication they argued, is important integral part of employee development and is one of the core parts needed to implement it. Further, they asserted that trust, commitment and loyalty can be developed with the help of internal marketing and empowerment of employees can be facilitated by it.

Propositions that information of the change, feelings of a community within organization which is undergoing the change, and uncertainty have an influence on readiness for change and are influenced by the kind of change communication that takes place were suggested by Elving (2005). On the basis of these propositions he suggested a conceptual framework for the study of communication during organizational change. However, he recommended

empirical research to establish the framework and suggested ways of measurement for the same.

Chawla & Kelloway (2004) developed and tested a model of change management strategies that predict openness and commitment to large-scale change. Based on a sample of 164 employees, a partially and fully mediated model were compared with the former providing the best fit to the data. They concluded that communication and job security predicted openness and trust both directly and indirectly via procedural trust. Participation predicted trust directly and indirectly but predicted openness to change only indirectly (through procedural justice). Turnover intentions were negatively predicted by openness and trust. Also turnover intentions predicted neglect. These results highlighted the role of procedural justice perceptions in understanding organizational change. The evidence thus pointed towards importance of managing change perceptions at the early stages whilst cautioning them against becoming lackadiscical after go-live festivities.

A completely different perspective proposes change as a phenomena that occurs within communication. Ford and Ford (1995) asserted that intentional change is a matter of deliberately bringing into existence, through communication, a new reality of social structures which effectively produces change. They proposed that although participants may engage in many conversations, there are four different combinations of speech acts that correspond to four different types of interactions in the intentional change process. These are initiative conversations, conversations for understanding, conversations for performance and conversations for closure. They challenge the models of change that identify communication as one step in a multistep change process. The models, according to Ford and Ford, fail to specify the medium through which the other steps are accomplished. They thus assert that the entire change process happens within the context of communication.

Several other studies done by researchers have explored and asserted the role of strategic employee communications or corporate communications or role of conversations or dialogue during the change process. Change however is defined differently in different studies. It is studied as a process targetted at varying outcomes such as diversification, joint ventures, globalization, localization or several other paradigms. for the purpose of this study, it was decided to study a radical change initiative – a turnaround from organizational decline.

Table 2.1 Organizational Change And Communication: A Summary

Theme	Author (s)	Title
Change, Leadership And Communication		
Discusses leadership issues such as diversity, teams, collaboration, trust formation, community, individual change, and relationships – in relation to dialogue and transformation. Where trust is high, change is managed more effectively and, where it is low, communication and co-operation suffer and there is increasing tendency to resort to power. Concludes that change is a phenomena that occurs within conversation and dialogue and is therefore social construct within twenty-first century organizations	April, 1999	Leading through communication and dialogue
Elaborates on eight steps to transforming an organization, one of them being 'communicating the vision	Kotter, 1995	Leading Change: why transformation efforts fail
Discusses in detail PepsiCo India Holdings' Visioning processes, key actions taken in each of them, the people programmes that supported them and how they helped the organization to master change and generate key insights for the future	Srinivasan, 2006	Leading Corporate Transformation through Visioning
Change Management involves appreciating change, mobilizing support, building change capability and executing change. A case of failed transformation is analyzed to conclude that complex change requires sustained efforts and four leadership roles, namely cognitive tuner, people catalyser, systems architect and efficacy builder	Ramnarayan & Nilakant, 2006	Altering Mindsets: Heart of Complex Change
Change And Employee Communication		
Most perspectives on change propose that communication occurs in the context of change. This article inverts that perspective by proposing both that communication is the context in which change occurs and that the change process unfolds in the dynamic of four types of conversations	Ford & Ford 1995	The Role of Conversations in producing intentional change in organizations
Future of work: mastering Change, edited by Pritam Singh, Jyotsna Bhatnagar and Asha Bhandarker, 329-352.	Ramnarayan & Nilakant, 2006	Altering Mindsets: Heart of Complex Change

Theme	Author (s)	Title
Based on a sample of 164 employees, a partially and a fully mediated model were compared with the former providing best fit to the data. Communication and job security predicted openness and trust directly and indirectly through procedural justice.	Chawla & Kelloway, 2004	Predicting openness and commitment to change
Proposes Strategic Employee Communication Model and defines best practices and provides a case study of the successful use of the model during a major change program.	Barret, 2002	Change Communication using strategic employee communication to facilitate major change
Appropriate corporate communications promote better chances to dissolve resistance to changes brought by business process re-engineering. Proposed a communication model in the BPR context	Belmiro, Gardiner, Simmons, Santos & Rentes AF, 2000	Corporate Communications within a BPR context
Presents how some familiar communication models such as Johari Window, Organizational Johari and Resistance Pyramid can be used to nip budding rumors on the office grapevine	Galphin, 1995	g the Grapevine
Explores the link between change, change management and internal communications and how the latter contributes to successful implementation of change management programmes	Kitchen & Daly, 2002	Internal Communication during Change Management
Highlights the widely prevalent knowing-doing gap and attributes it to extra emphasis given to smart talk against action. Presents five characteristics of leaders of organizations that consistently say smart things and then follow them up with action	Pfeffer & Sutton, 1999	Smart-Talk Trap
Content Analyzed 157 crises for crises types, initial and ongoing communication channels and sources, and respondent preferences for communication strategies. Results supported the literature but recommendations for expansion of crises communication plans with greater attention to methods and messages for internal stakeholder were made	Adams & Roebuck, 1997	Exploring neglected terrain: Communication with employees during crises
Asserts that key to successful introduction of change lies in effective communication and proposes employment of employee development programmes to change the attitude and behaviour of staff	Proctor & Doukakis, 2003	Change management: the role of internal communication and employee development

Theme	Author (s)	Title
Managing Group and Inter-group Relations	Lorsch & Sheldon, 1967	The Individual in the Organization: A systems view
Change And Communication Strategy		
Shows how communicators can link their strategies to organizational goals in a way that adds measurable value to the bottomline	Moorcroft, 2003	Linking communication strategy with organizational goals
Discusses strengths and weaknesses of full disclosure during crises and suggests how to handle crises communications. Asserts finally that an organization must never lie when caught in a crisis and advocates help of a lawyer in the situation	Kaufman, Kesner & Hazen, 1991	The myth of Full Disclosure: A look at organizational communications during crisis
Describes changes in environment that have created the need for a stronger and more strategic employee communications effort through planning and staffing. Finally, it discusses ways to implement the right program for today's environment	Argenti, 1998	Strategic Employee Communications
A Case Study based on a constructionist approach and four methodological foundations	Langer & Thorup, 2006	Building trust in times of crises
Stakeholder Influence And Change		
Proposes a conceptual model of communication during organizational change that emphasis on two roles of communication – the informative and the community building role.	Elving, 2005	The role of communication in organizational change
On the basis of 11 parting parties thrown in dying organizations, the authors elaborate on individual and organizational functions that parting ceremonies perform in dying units or organizations. They assert that people can exchange emotional support and edit self, social-system and event schemata while organizations can gain on account of member motivation, information dissemination, external stakeholder acceptance, impression management and guilt assuagement.	Harris & Sutton, 1986	Functions of parting ceremonies in dying organizations

Source: Prepared by the researcher

Organizational Decline and Turnaround

Overview: A turnaround is a unique phenomena that represents the capacity of an organization – a human collectivity – to revive itself from deathbed. Every successful turnaround reaffirms the capacity of human collectivities to rebuild what is decayed and transform it for a fresh lease of life (Khandwalla, 2001). What makes a turnaround happen has intrigued many researchers for a long time. Both qualitative and quantitative techniques have been employed in the past to capture and analyze what turnaround managements did to bring life to a decaying phenomena.

The main themes on which researchers studying turnarounds have focussed in the past range from identifying and understanding triggers of turnaround (Poston, Harmon & Gramlich, 1994; Scherrer, 2003) unravelling the strategies of turnaround (Schendel, Patton & Rigs, 1976; Hofer, 1980, Hambrick & Schechter, 1983; Slatter, 1984; Pant, 1987; Chowdhary & Lang, 1996; Gowen & Tallon, 2002; Chanda, 2002), developing models to appreciate stages and processes of turnaround (Pant, 1991; Arogyaswamy, Barker & Ardekani , 1995; Barker & Duhaime, 1997; Mone, Mckinley, & Barker III, 1998; Barker & Mone, 1998; Balgobin & Pandit, 2001; Kow, 2004) and uncovering the role of leadership in enabling turnarounds (Bibeault, 1982; Barker & Patterson, 1996; Harker & Sharma, 2000; Barker & Barr, 2002; Francis & Mariola, 2003; Huang & Snell, 2003).

A debate on theory E and theory O turnarounds is also widely evident amongst the researchers (Khandwalla 2001, 1991, 1989; Robbins & Pearce, 1992; Barker & Mone, 1994), as some managements are observed to retrench manpower and carryout surgical operations to cure the ailing enterprise while others adopt transformational leadership styles to revive the demotivated non-performing workforce.

The vast literature on organizational decline and turnaround generally indicates two research approaches – the content approach and the process approach. Some researchers have adopted the content approach and have focussed on examining various factors related to turnaround on the basis of crosssectional statistical analysis of data collected from a number of organizations (Barker & Duhaime, 1997; Bibeault, 1982; Castrogiovanni & Bruton, 2000; Chowdhary & Lang, 1996; Hambrick & Schechter, 1983; Khandwalla, 2001, 1992, 1989; Manimala, 1991; O'Neil, 1986; Pant 1991; Robbins & Pearce, 1992; Schendel & Patton, 1976; Schendel Patton & Rigs, 1976; Thietart, 1988) while others have adopted the process approach that narrates a sequence of events as they unfold to cause a dependant variable to respond to an independent

variable (Van de Ven & Huber, 1990, Pandey, S.C. & Verma, P., 2005, Chowdhary, 2002, Maheshwari 2000). Some researchers have opined that it is the process through which turnaround strategies are implemented and not the content per se. Therefore, both content and process approaches are linked to each other and are equally important for developing a good theory (Bacharach, 1989; Van de Ven & Huber 1990; Whetten, 1989; Pettigrew, 1992; Chowdhary, 2002).

Case studies of companies that have enabled turnaround have also been documented and studied by researchers across the world (Bruton, Ahlstrom & Wan, 2001, 2003a, 2003b, 2004; Furman & McGahan, 2002; Gupta & Wang 2004; Khandwalla, 2001; Kow, 2004; Maheshwari & Ravichandran, 2003; Maheshwari & Ahlstrom, 2004; Pearce & Robbins, 1993; Patrick, 1999; Ruiz-Navarro, 1998; Saini & Bhatnagar, 2005; Wan, Kliener & Brian, 2000).

Models of turnaround: Four models of turnaround (Maheshwari, 2000; Balgobin & Pandit, 2001; Khandwalla, 2001; Chowdhury, 2002) have been referred to extensively in the turnaround literature. Balgobin & Pandit (2001) suggested decline and crisis, triggers of change, recovery strategy formulation, retrenchment and stabilization and return to growth as *stages through which a turnaround process proceeds*. They elaborated the role of external and internal causes in causing decline and role of triggers in initiating a turnaround. In describing the recovery strategy formulation process the role of communication is highlighted for situation analysis, stakeholder management and improving motivation. *Chowdhury's four stage theory* suggests decline, resource initiation, transition and outcome as the four stages of turnaround though Chowdhury accepted that no single stage theory can explain processes of all turnarounds as each happens in its own context (see Table 2.2). His paper made a mention of a host of variables including management style, organizational culture and leadership qualities of the top management (amongst others) that combine with individual actions, characteristics and skills of people and the tangible and occult properties of the organization that work during the implementation stage. Maheshwari, on the basis of extensive literature review presented a model that strikes a balance between the process and content approaches by following the stages (process) and the content in each stage. *Maheshwari's contingency model* emphasised on the action choice perspective and suggested that organizational factors such as group characteristics, organizational culture and leadership (among others) affect the turnaround actions of change agents (see Figure 2.1). *Khandwalla* on the other hand proposed a comprehensive theoretical model to provide understanding of *transformational turnarounds*. According to this model, the process begins with a jolt that leads to credible diagnosis of the problem followed by co-optation of external stakeholders, mobilization of

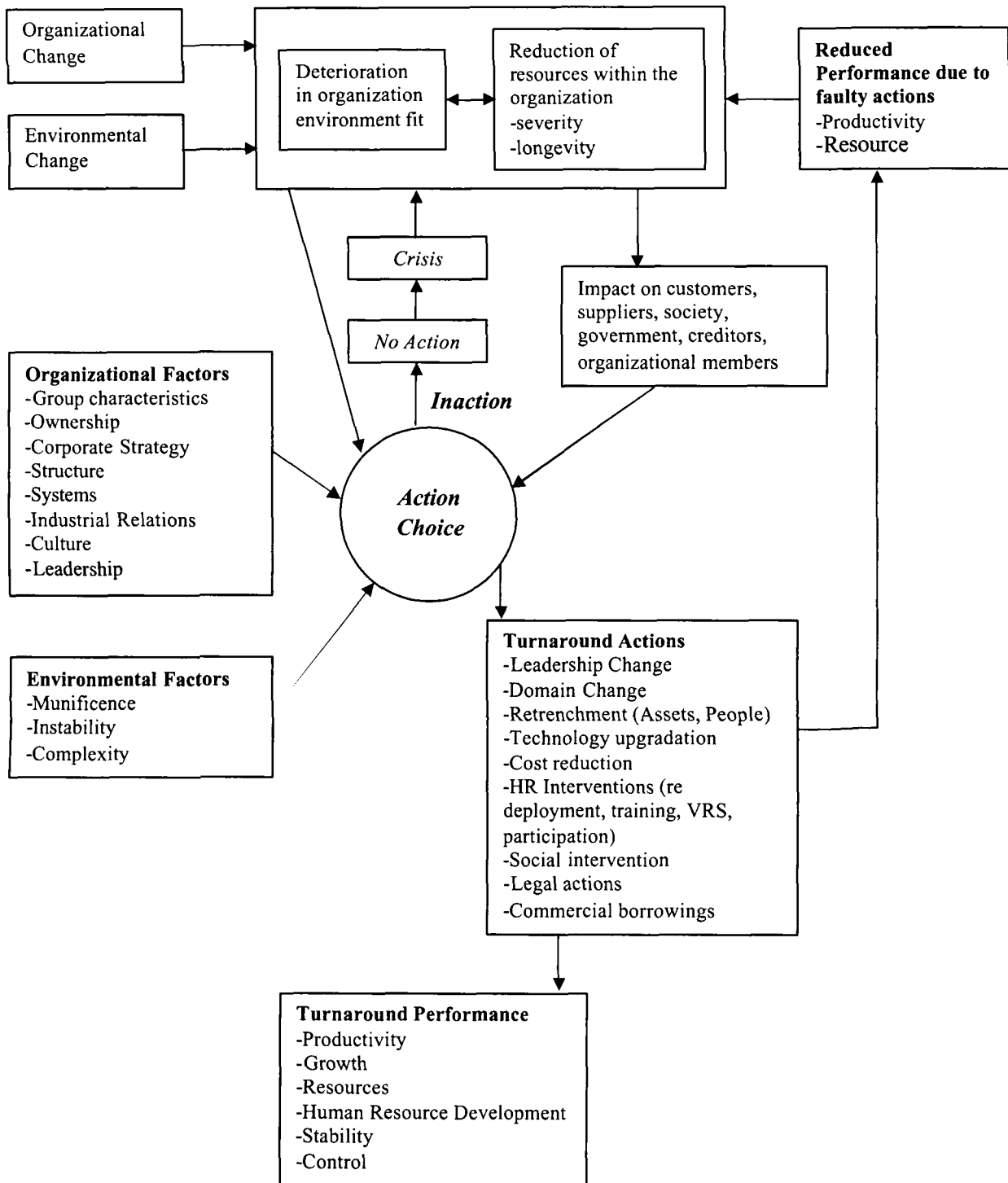
staff for turnaround and a mindset change that together leads to a turnaround performance (Khandwalla, 2001). The model proposed a two-way communication with staff on situation prognosis, vision, new operating paradigm, symbolic actions, setting up taskforces for changes and innovations, group brainstorming for innovations and identification and training of change agents (see figure 2.2). Khandwalla (1989) on the basis of his study proposed a list of objectives that turnaround managements addressed and the actions they took to enable the process.

Table 2.2: Chowdhary's 4-stage Model of Turnaround Process

STAGES				
Incidents	1 Decline	2 Response Indication	3 Transition	4 Outcome
Key Events	<ul style="list-style-type: none"> • K-decline • R-decline • Stimulus 	<ul style="list-style-type: none"> • Domain Definition • Scope Overlap • Strategic Contour 	<ul style="list-style-type: none"> • Elapsed time • Resource Commitments • Subunit policies and programmes • Structure • Rewards • People 	<ul style="list-style-type: none"> • Success • Failure
Core concepts	Performance	Strategy	Implementation	Performance

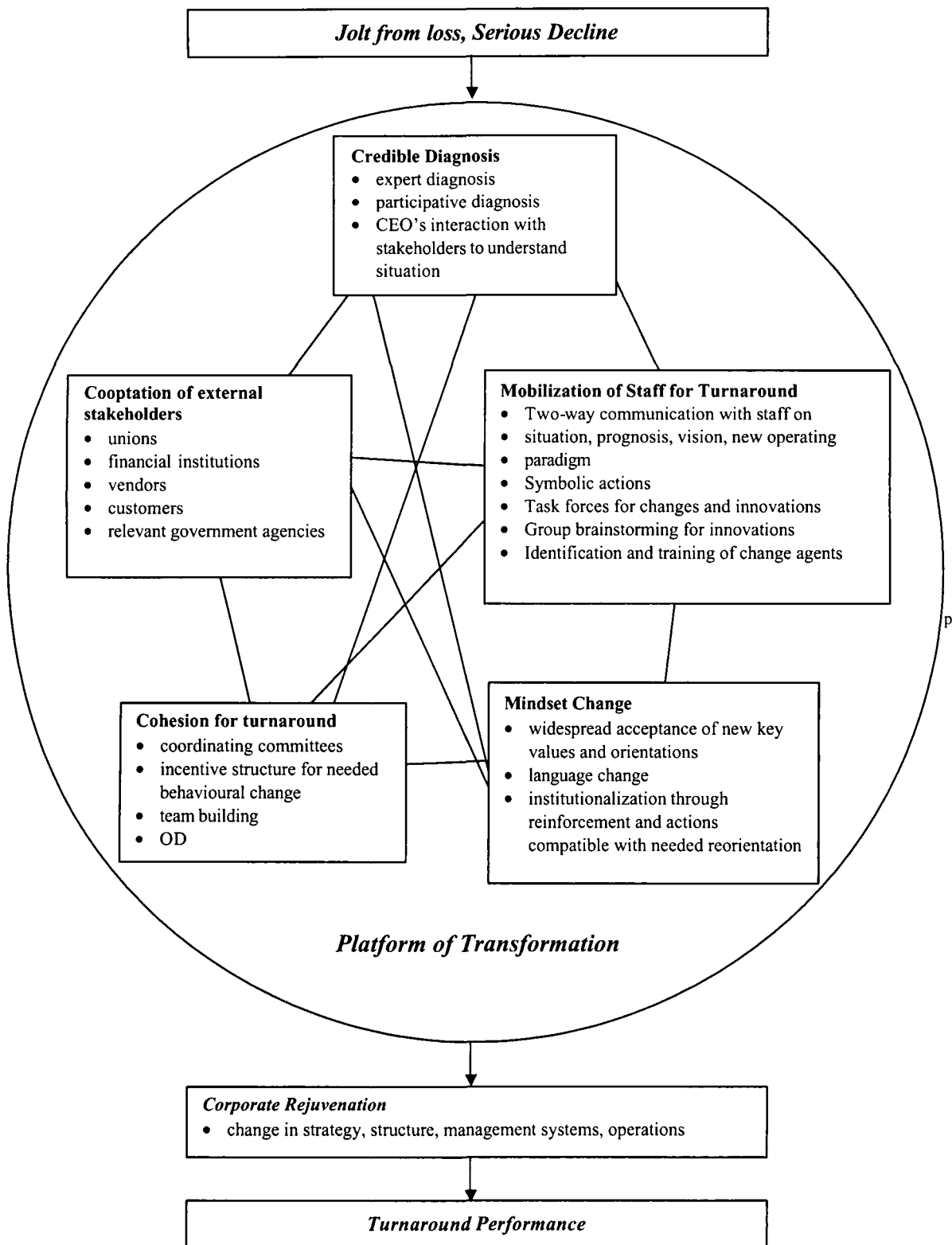
Source: As cited in Pandey S.C. & Verma P. (2005). Organizational Decline and turnaround: Insights from the Worldcom case, p 54. Vision- the Journal of Business Perspective, 9(2).

Figure 2.1: Maheshwari's Contingency Model of Organizational Decline and Turnaround Management



Source: As cited in Pandey S.C. & Verma P. (2005). Organizational Decline and turnaround: Insights from the Worldcom case, p 59. Vision- the Journal of Business Perspective, 9(2).

Figure 2.2 Khandwalla's Model of Transformational Turnaround



Source: Khandwalla, P. (2001), Turnaround Excellence: Insight from 120 Cases, p. 349. Response Books, New Delhi, adapted with little variation in the original diagram.

Turnaround Strategies: Turnarounds almost always require a major effort to ‘turn the Company around’. A turnaround strategy is imperative for guiding all organizational actions so that scarce resources are not dissipated in unproductive ways. Schendel, Patton and Rigs (1976) examined the patterns of decline and turnaround of fifty-four companies with average sales of \$ 400 million that competed in seventeen different industrial sectors of the economy and forty different industries. Based on Compustat data and periodicals, they categorized the reason for the declines and types of turnaround actions and listed various strategic responses adopted to tackle strategic causes of failure and operating responses to address strategic causes.

Hofer (1980) analyzed written cases of 12 poorly performing firms and further categorized the turnarounds into two categories strategic and operating and asserted that operating responses seldom cured strategic problems. He considered a change in the current top management as a general pre-condition to turnaround and discussed several strategies including, operating turnaround strategies, revenue generating strategies, cost-cutting strategies, asset reduction strategies and combination effort strategies which he proposed must be selected on after thorough study of operating and strategic health of the company. A mismatch of the cause and the strategy, according to him, would cause a greater damage than even an immediate liquidation. Bibeault (1982) conducted a survey of 81 chief executives and in his book emphasized on organizational and human issues and provided some insights on formulating turnaround strategies.

Three common types of successful turnaround ‘gestalts’ found by Hambrick and Scheter (1983) were: asset/cost surgery, selective product/market pruning, and piecemeal moves. They had studied short-term turnaround attempts of 260 mature industrial-product businesses on the basis of data collected from PIMS (Profit Impact of Market Strategies) project. They found that industrial-product business units found that efficiency oriented moves, but not entrepreneurial initiatives were associated with successful turnarounds.

However, the effectiveness of strategies and underlying factors of effectiveness were identified by Sudarsanam and Lai (2001) to be – the effect of timing, intensity and implementation of strategies on corporate recovery. They employed Zscore to identify distress firms and finally studied 166 recovery and non-recovery firms. The study provided empirical evidence to show that recovery and non-recovery firms employed very similar sets of strategies and managers of non-recovery firms restructure more intensely than recovery firms but are far less effective in strategy implementation. They concluded that the recovery

firms adopted growth-oriented and external market focussed strategies while non-recovery firms engage in fire-fighting strategies.

Culture and its impact on turnaround strategies: There is a significant evidence of impact of culture on organizational activity (Hickson & Pugh, 1995; Hofstede, 1991; Orru, Biggart & Hamilton, 1997; Pye, 2000). Organizational decline and turnaround are significant and challenging situations, that managers can face. According to Bruton, Ahlstrom and Wan (2003) there is a need to pay attention to variations in causes of decline and responses to address the causes owing to the cultural variation paradigm. They asserted that much evidence on how firms reverse performance decline is available predominantly from the West and very little research on firm turnaround in other environments is found. Bruton Ahlstrom and Wan therefore provided first empirical investigation of the turnaround strategies of Overseas Chinese firms in East Asia. They examined turnaround efforts in three ethnic Chinese communities in East Asia. The study was on three phenomena widely discussed in literature on the basis of studies of the West: retrenchment, asset/cost reduction and CEO (top management/ leadership) replacement. The researchers concluded that while it was expected that owing to influence of Chinese culture all the three may not be feasible or preferred strategies in the East Asian Chinese firms, the results depicted some contradictions. It was found that despite disagreement from communities the firms attempting turnaround did resort to retrenchment though conclusions on asset/ cost reduction were not clear and inconclusive. However, replacement of top management was not observed in this community. The researchers therefore concluded that while culture did have the impact but there was need to investigate further to get better insights on the phenomena in the cultural context.

Leadership and the organizational turnaround: The literature on change delves on leadership styles of change leaders. Pandey and Verma (2005) analyzed the Worldcom case to uncover the leadership styles of two contrast leaders – on one end was Bernard Ebbers who insisted on showing double digit growth and increase in revenues. His ‘mergers and acquisition policy put the Company on the track of blind expansion and making Worldcom a hot favourite on the Wall Street. At the other end was Michael Capellas who joined a ‘bankrupt and corrupt’ company. He rejuvenated its demoralized workforce and enforced a code of ethics at every level.

Barker and Patterson (1996) observed the growing evidence of change in leadership for attempting turnarounds and studied 29 publicly traded companies, from as many industries as possible, located within several hundred miles of major US metropolitan areas in the Midwest, Mid-Atlantic, East Coast, and West Coast, in the US. The selected firms had

declined and then turned around during 1990s. The study was an attempt to establish a relationship between top management team tenure and causal attributions made by top managers of declining firms attempting turnarounds. The study concluded that there was strong evidence that decline was more likely to be attributed to internal, stable and controllable sources and less likely to be attributed to external sources when the TMT (Top Management Tenure) had been replaced. Thus, top management exhibits self-serving biases while identifying or defining causal attributions of firm decline. These findings, the researchers claim, offer partial explanation for why researchers have often associated strategic change at declining firms with TMT changes.

Following the debate on process and content of turnarounds, Harker and Sharma (1999) noted that there was need to further study of processes (how?) through which turnaround strategies (what?) were implemented. They therefore studied three firms in the heavy engineering industry undergoing transition from organizational decline to recovery and compared their process and performance to less successful rivals. The attempt was to provide insights into the turnaround process and the link between leadership and management of the turnaround process. The researchers concluded that the companies were in decline because organizational characteristics were out of fit with the operating environment and the companies had lost their direction and competitive edge. They proposed a framework that demonstrated that the professional competent Board can provide leadership in the turnaround process and when working with and through the chosen CEO, can amplify his/her efforts and provide necessary support in the process. The CEO has the task of developing leaders through out the organization as turnaround strategies are developed and implemented, through the process of industry enlightenment, destiny development and organizational enhancement.

Organizational decline and innovation: Yet another paradigm explored in organizational decline literature is the inconsistent perspective about the effect of organizational decline on innovation. Money, McKinley and Barker (1998) attempted to adjudicate between inconsistent perspectives and proposed a contingency framework that identified variables moderating the organizational decline-innovation relationship. They argued that the presence of highly institutionalized missions, widely diffused power structures and high levels of resource commitments negatively affect organizational innovation in response to decline. These conditions act as constraints on an organization's capacity to innovate when decline occurs. In contrast they proposed that less institutionalized missions, more concentrated power, and a higher level of uncommitted resources positively affect innovation in response to decline. These conditions, they proposed, relaxed the constraints and function as catalysts for innovation when organizational decline occurs.

Finding gaps in turnaround literature: Role of communication during turnaround: Turning around the performance of declining firms naturally entails dealing with all the challenges thrown by the declining firms. There is evidence available that indicates that the image of a bankrupt firm is tarnished and the management of the company has to manage the stigma of Bankruptcy. Sutton & Callahan (1987) studied four Silicon Valley computer firms that had filed reorganization under Chapter 11 of Federal Bankruptcy Code but were still operating. They interviewed informants (including top management wherever possible) till they reached theoretical saturation. On the basis of grounded theory analysis the researchers proposed and validated a model of how stigma of Chapter 11 affects organizations and top management and identified strategies they adopted to deal with the stigma. The model asserted that top management and organization as a whole are perceived as discredited and their image is spoiled. There are as a result negative changes in organizational audience responses such as relationship disengagement, reduction in quality of participation, bargaining for a more favourable exchange relationship (changes in enacted relationships) and denigration via rumor, denigration via confrontation (changes in espoused evaluations). The researchers concluded that the five strategies that top management resorts to, to deal with the stigma are concealing, defining, denying responsibility, accepting responsibility and withdrawing.

Several researchers that have delved on issues pertaining to process of turnaround, implementation of turnaround strategies, transformational leadership for enabling turnaround of performance have in their studies indicated the role that communication plays in enabling a turnaround (Balgobin & Pandit, 2001; Harker & Sharma, 2000; Kandwalla, 1979; 1991; 2001). However, not a single study was found to be completely devoted to understand the role of communications during the turnaround process.

In keeping with the earlier discussions that provide evidence of the critical role of communication during the change process, it is felt that there is a need to explore the role of communication during the radical change process that some organizations undergo – the organizational turnaround. The following section is therefore devoted to building theory to first identify the context in which an organization declines and recovers followed by proposing a communication strategy framework employed by the top management to enable a turnaround.

Table 2.3: Organizational Turnaround Studies: A Summary

Theme	Author	Title
Predictors of Organizational Decline or Turnaround		
Elaborates on signals of decline, internal and external business environments and strategies for reversal of decline	Scherrer , 2003	Management turnarounds: Diagnosing business ailments
Argues that a triggering event events needs to shock the incumbent management into realizing that different action is called for. These events also play a role in the turnaround process by influencing the strategies and inducing management changes.	Gopinath Spring 2005	Recognizing Decline: The Role of Triggers
Explores whether information contained in annual reports is useful in distinguishing between distressed companies that enact a turnaround and those that fail. Concludes that successful turnarounds are associated with the severity of the distressed state, its determinants, with the extent of change in the distressed state since the previous year, and firm size.	Smith & Graves, 2005	Corporate Turnaround and Financial Distress
Elaborates on pitfalls in perceiving sources of decline and suggests guidelines to identify these	Barker III, 2005	Traps in diagnosing organization failure
Studied a broad cross-section of publicly traded companies, the turnarounds and the financial market returns and concluded that financial markets were not effective in identifying their impending turnarounds	Furman & McGahan, 2002	Turnarounds
Provides an interesting insight into causes of decline and suggests a framework to map the causes	Richardson, Nwankwo & Richardson, 1994	Understanding the Causes of business failure Crises: Generic Failure Types: Boiled Frogs, Drowned Frogs, Bull Frogs and Tadpoles
Analyzes the outcomes of fourteen strategic failures in a very large firm and attempts to explore what the firm learnt from its failures and whether the learning from small and large failures varies	Baumard & Starbuck, 2005	Learning from Failures: Why it may not happen

Theme	Author	Title
Models of Turnaround		
On the basis of extensive literature review presented a model that strikes a balance between the process and content approaches by following the stages (process) and the content in each stage. This model emphasises on the action choice perspective and suggests that organizational factors such as group characteristics, organizational culture and leadership (among others) affect the turnaround actions of change agents.	Maheshwari, 2000	Organizational Decline and Turnaround Management: A Contingency Framework
Proposed a four stage theory that suggests decline, resource initiation, transition and outcome as the four stages of turnaround though he accepts that no single stage theory can explain processes of all turnarounds as each happens in its own context.	Chowdhury, 2002	Turnarounds: A stage theory Perspective
Proposed a comprehensive theoretical model to provide understanding of transformational turnarounds. According to this model, the process begins with a jolt that leads to credible diagnosis of the problem followed by cooptation of external stakeholders, mobilization of staff for turnaround and a mindset change that together leads to a turnaround performance	Khandwalla, 2001	Turnaround Excellence: Insights from 120 cases
Proposes and elaborates on six elements of turnaround process, namely, appropriate strategic vision, organizational structure, set of business processes, human resource architecture that supports the vision, technological innovation and organizational culture	Kow, 2004	Turning around business performance Part I
Investigates whether an organization that fails proceeds through the same sequential stages as the one that succeeds Asserts that "failure is not typically the fault of either the environment or the organization, rather it must be attributed to the misalignment of the organization to the environmental realities and that corrective actions are possible during any stage except the last.	Sheppard & Chowdhury, 2005	Riding the wrong wave: organizational failure as a failed turnaround
Adopted the content approach and focussed on examining various factors related to turnaround on the basis of crosssectional statistical analysis of data collected from a number of	Barker & Duhaime, 1997	Strategic change in Turnaround Process: theory and empirical evidence

Theme	Author	Title
organizations	Barker & Mone, 1998	The Mechanistic Structure Shift and Strategic Reorientation in Declining Firms attempting Turnaround
Developed a turnaround stages framework and then tested this framework against the case of IBM UK which experienced a turnaround in 1988-1997. This research was part of a larger research study that employed comparative case study method. The five stages suggested were Decline and Crisis; triggers for change; recovery strategy formulation; retrenchment and stabilization and return to growth. The study concluded that the three of the four categories of events that aid the formulation of successful recovery plans, namely gaining control, managing stakeholders, and improving motivation employs several communication actions for successful implementation.	Balgobin & Pandit, 2001	Stages in the turnaround process: The Case of IBM UK
Turnaround Strategies		
Examined the patterns of decline and turnaround of fifty-four companies with average sales of \$ 400 million that competed in seventeen different industrial sectors of the economy and forty different industries. They categorized the reason for the declines and types of turnaround actions and listed various strategic responses adopted to tackle strategic causes of failure and operating responses to address strategic causes.	Schendel, Patton & Rigs, 1976	Corporate Turnaround Strategies: A study of profit decline and recovery
Analyzed written cases of 12 poorly performing firms and categorized the turnarounds into two categories – strategic and operating and asserted that operating responses seldom cured strategic problems.	Hofer, 1980	Turnaround Strategies
Studied short-term turnaround attempts of 260 mature industrial-product businesses and found that that efficiency oriented moves and not entrepreneurial initiatives were associated with successful turnarounds. Three common types of successful turnaround ‘gestalts’ were found to be: asset/cost surgery, selective product/market pruning, and piecemeal moves.	Hambrick & Schechter, 1983	Turnaround strategies for mature industrial-product business units

Theme	Author	Title
American and Japanese firms high-technology are examined in terms of the antecedents, actions, and results of varying level of turnaround strategy implementation. They concluded that American firms achieved greater return on investment, operating profit margin, and cash flow but lower sales growth and less unit labour cost improvement than Japanese Corporations	Gowen.& Tallon, 2002	Turnaround strategies of American and Japanese electronics corporations How do they differ in formulating plans and achieving results?
Tested effectiveness of strategies and identified the underlying factors of effectiveness – the effect of timing, intensity and implementation of strategies on corporate recovery. They concluded that recovery firms adopted growth-oriented and external market focussed strategies, non-recovery firms engage in fire-fighting strategies.	Sudarsanam & Lai, 2001	Corporate Financial Distress and Turnaround Strategies: An Empirical Analysis
Studied four Silicon Valley computer firms that had filed reorganization under Chapter 11 of Federal Bankruptcy Code but were still operating. They proposed and validated a model of how stigma of Chapter 11 affects organizations and top management and identified strategies adopted to deal with the stigma.	Sutton & Callahan, 1987	The Stigma of Bankruptcy: Spoiled Organizational Image and its Management
Suggest an alternative to Theory E and Theory O approaches to change initiatives – an approach that combines the two approaches	Beer & Nohria, 2000	Cracking the Code of Change
Organizational Decline and Innovation		
Attempt to adjudicate between inconsistent perspectives on organizational decline and innovation and propose a contingency framework that identified variables moderating the organizational decline-innovation relationship	Mone, Mckinley & Barker III, 1998	Organizational Decline and Innovation: a contingency framework
Leadership and Turnaround		
Studied 29 publicly traded companies and concluded that there was strong evidence that decline was more likely to be attributed to internal, stable and controllable sources and less likely to be attributed to external sources when the TMT (Top Management Tenure) had	Barker & Patterson, 1996	Top Management Team Tenure and Top Management Causal Attributions at Declining Firms attempting Turnarounds

Theme	Author	Title
been replaced. The pattern was vice-versa when the TMT was long. Thus, established evidence of bias in perspectives. Journal of Business Research, 55, 963-979.	Barker & Barr, 2002	Linking top manager attributions to strategic reorientation in declining firms attempting turnarounds
Studied three firms in the heavy engineering industry undergoing transition from organizational decline to recovery and compared their process and performance to less successful rivals. They provided insights into the turnaround process and the link between leadership and management of the turnaround process.	Harker & Sharma, 2000	Leadership and the company turnaround process
Investigates the effect of managerial ownership and turnover on the probability of a turnaround for companies that experience a decline in their profitability. Also examines whether CEO turnover determines the type of retrenchment strategy chosen so as to hasten the turnaround process.	Francis & Mariola, 2003	Managerial Ownership Impacts on Decline And Turnaround
Journal of Business Ethics, Springer Netherlands, 111-124.	Huang & Snell, 2003	Turnaround, Corruption and Mediocrity: Leadership and Governance in Three State Owned Enterprises in Mainland China
Analyzed the Worldcom case to uncover leadership styles of two contrast leaders – Bernard Ebbers who insisted on showing double digit growth and increase in revenues and Michael Capellas who joined a ‘bankrupt and corrupt’ company but rejuvenated its demoralized workforce and enforced a code of ethics at every level.	Pandey & Verma, 2005	Organizational Decline and Turnaround: Insights from the Worldcom Case
Retrenchment and Turnaround		
Investigates turnaround attempts of 32 US textile firms and concludes that retrenchment is an integral component of successful recovery from decline	Robbins & Pearce, 1992	“Turnaround: Retrenchment and Recovery”
A critique that replicates and provides an alternative explanation for the assertion that retrenchment is integral to turnaround and concludes by offering several recommendations for turnaround researchers	Barker & Mone, 1994	Retrenchment: Cause of Turnaround or consequence of decline?

Theme	Author	Title
Case Studies of Turnaround		
Asserts that innovative competition is not impossible in mature firms and that firms change by stages. He presented a case study of a ship yard from competency point of view and shared how it redirected the technology and competencies previously employed in the military sector into profitable commercial applications.	Ruiz-Navarro, 1998.	Turnaround and renewal in a Spanish shipyard
Provided first empirical investigation of the turnaround strategies of Overseas Chinese firms in East Asia. They studied retrenchment, asset/cost reduction and CEO (top management/ leadership) replacement.	Bruton, Ahlstrom & Wan, 2001	Turnaround Success of Large and Mid-Size Chinese Owned Firms: Evidence from Hong Kong and Thailand
On the bases of a case study of Phoenix enterprises he modifies his previously suggested model to indicate bridge the gap between what appears to be organized well on paper and the reality.	Kow (2004).	Turning around business performance Part II
The case details the initiatives taken to implement change and also makes a mention of communications during change.	Saini & Bhatnagar (2005).	North Delhi Power Ltd.: Dynamics of Change
A first hand account of the Duke Children's hospital turnaround that he led in 1996. He illustrated the tools employed in the turnaround of the hospital and suggested survival strategies that he says are equally applicable to any industry. The first of the three strategies suggested was 'Communicate, communicate, communicate'.	Meliones (2000)	Saving Money, Saving Lives
Other published Case Studies	Pearce & Robbins (1993).	Towards improved theory and research on business turnaround
	Nimwegen & Kliener (2000)	Harley-Davidson Motor Company
	Khandwalla (2001)	Turnaround Excellence: Insights from 120 cases
	Bruton, Ahlstrom & Wan (2003)	Turnaround success of large and mid-size Chinese owned firms: evidence from ethnic overseas Chinese

Theme	Author	Title
		communities
	Maheshwari & Ravichandran (2003)	Mangalore Chemicals and Fertilizers Ltd.: Strategic Renewal
	Bruton, Ahlstrom & Wan (2003).	Turnaround in East Asian Firms: Evidence from ethnic overseas Chinese communities
	Bruton & Ahlstrom (2004).	Turnaround in Asia: What do we know?
	Gupta & Wang (2004)	From Corporate Crisis to Turnaround in East Asia: A Study of China Huajing Electronics Group Corporation
	Maheshwari & Ahlstrom (2004).	Turning Around a State Owned Enterprise: The Case of Scooters India Ltd.

Source: prepared by the researcher

Theory Building and Propositions

Section I: *Context of Communication during Turnaround*

Environment is an important situational element that has a strong impact on an organization's strategic direction, the process by which strategic direction is shaped and the way an organization's resources are secured (Hamel & Prahalad, 1994). With the globalization of economy and fast paced technological developments, the environment is constantly changing. The organizations therefore, also have to change so as to be able to survive and thrive in the changing environment.

Evidence from studies on managerial decision making and strategic management suggest that managers often prove unable to account for environmental change in their plans owing to resource constraints, inadequate information or blindness to environmental changes (Maheshwari, 2000; Mezias & Starbuck, 2003; Pfeffer & Salancik, 1978). Maheshwari (2000) examined the reasons for organizational decline and suggested context-specific turnaround process. According to this study, the decline is primarily an outcome of inaction of managers and inappropriate actions of managers in response to environmental reality. The causality variables to explain inaction and inappropriate actions were classified as organization specific such as sunk investment, specialized assets etc. and environment specific such as legal, political, social and economic constraints.

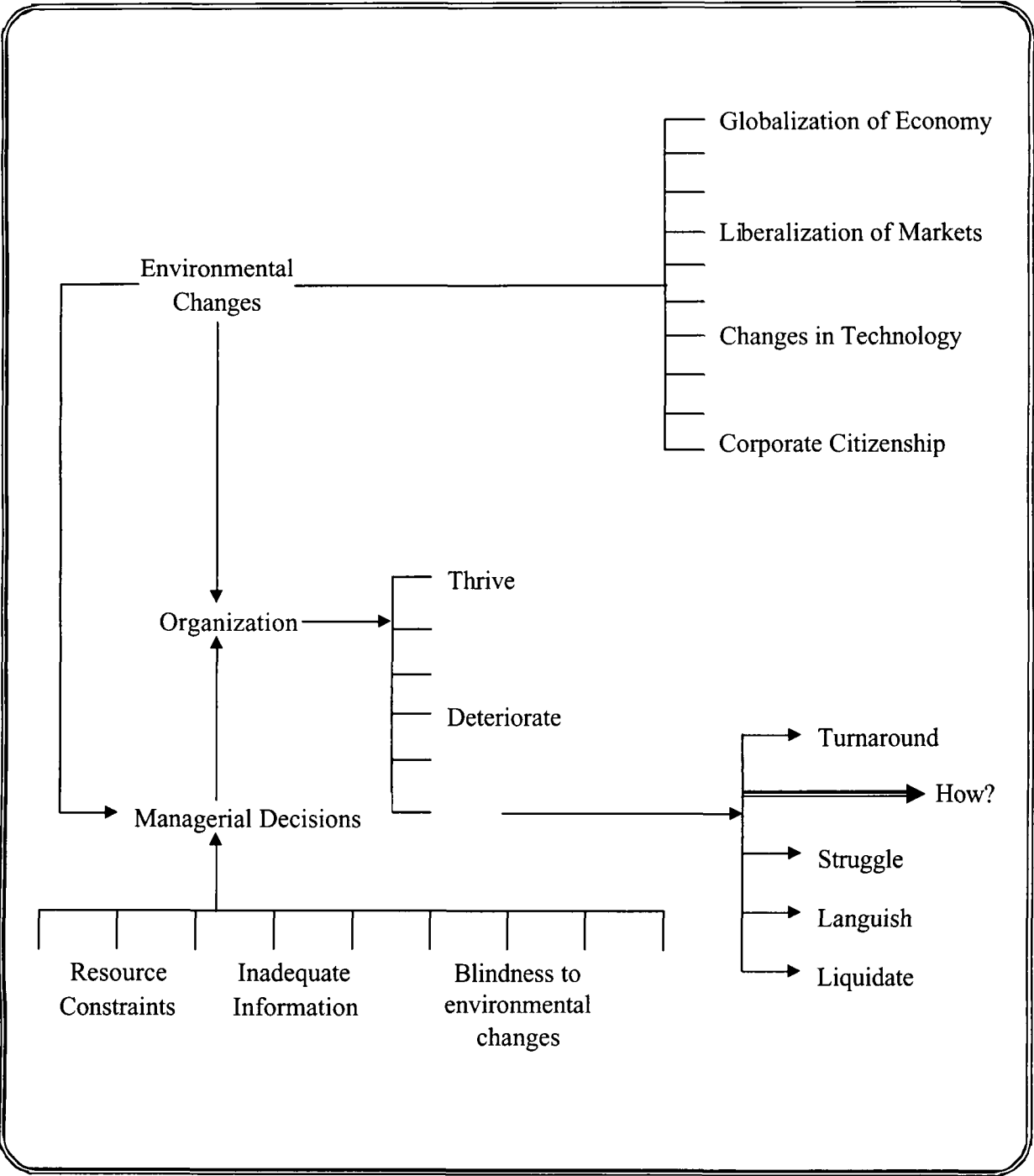
Organizations are at varying risk of experiencing changes in the environment for which they are not prepared (Aldrich & Pfeffer, 1976; Carrol, 1984; Kelly & Amburgey, 1991; Khandwalla, 1992; Mone, Mckinley & Barker, 1998). Thus, based on the managerial response, organizations could on one hand outperform themselves in the new business scenario or on the other hand, deteriorate to the extent of sickness.

Management of some sick Companies accept the failures and finally liquidate the Companies while on the other extreme there are companies that are able to revive from the sickness (turnaround) and once again flourish in the new environment. This scenario is depicted as '*Organizational changes in a changing environment*' in *Figure 3.1*.

Sutton and Callahan (1987) provided empirical evidence to assert how filing bankruptcy under Chapter 11 tarnishes the image of the management which is discredited by internal and external stakeholders for the failures. In accordance with Kurt Lewin's theory these stakeholders exert *enabling or disabling forces on the organization*. This is exhibited in Figure 3.2. During organizational decline the balance of forces tilts towards disabling forces.

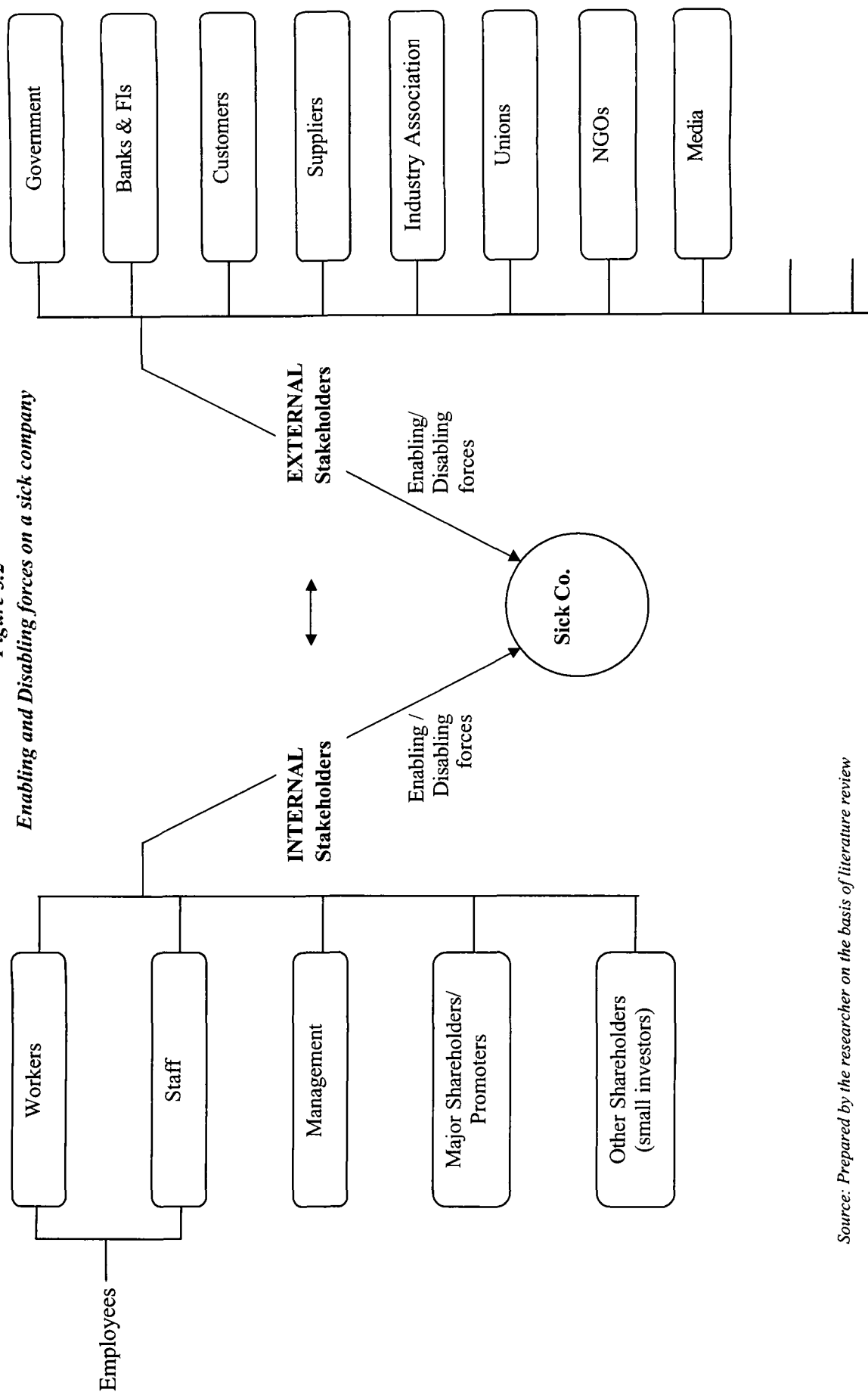
Literature provides enough evidence to substantiate the central role that management must play to enable the organizational turnaround (Barker & Barr, 2002; Barker & Patterson, 1996; Francis & Mariola, 2003; Harker & Sharma, 2000; Huang & Snell, 2003; Pandey & Verma, 2005). Some researchers have asserted that it is imperative to change the management to initiate the process (Barker & Barr, 2002; Barker & Patterson, 1996; Francis & Mariola, 2003). In any case, the management (Board along with the CEO) must own the managerial responsibility to turnaround performance of the declining organization (Francis & Mariola, 2003). The balance of forces must shift with the *management assuming central role* and experiencing the forces emanating from various stakeholders. The management must define a turnaround strategy so as to manage the forces emanating from various stakeholders. This is exhibited in Figure 3.3.

Figure 3.1: Organizational Changes in a Changing Environment



Source: Developed by the researcher on the basis of literature review

Figure 3.2
Enabling and Disabling forces on a sick company



Source: Prepared by the researcher on the basis of literature review

Communication is critical in the strategy formation and implementation stages. According to Sloma (1985), for a turnaround to be successful there must be a plan and it must be documented and communicated. The plan must be tailored to the particular firm at a particular point in time. Motivation of the people in the organization in implementing the plan is also vital.

Besides, total commitment to strategic management, organizational change, adequate communication, and accurate performance measures are key to definitive turnarounds. Farkas (1991) reviewed corporate turnaround literature and conducted four case studies to identify salient factors in organizational turnarounds and determined whether these factors were evident within transit organizations that had attempted to manage change strategically. All the four organizations had initiated turnarounds post organizational decline or perceived decline. He found that relatively minor reorganizations were made in all the cases and commitment to strategic change varied and that all cases could have improved their communication below the middle management levels.

Literature also recommends that all segments of the organization be included in the information flow for a decline to be stopped. Guy (1989) found that most employees prefer to receive information from management; yet many receive it from the 'grapevine'. He asserted that it is important for formal channels of information to confirm information gained from informal sources..

Khandwalla (1989) with the help of three cases (Canadian Cellulose Company (Can Cel), State Timber Corporation of Ceylon (STC) and Bharat Heavy Plate and Vessels of India) in three countries and literature survey of studies in the US, Britain, Europe and India outlined ten elements of corporate turnaround management. These *elements* are: change in top management, credibility building actions by the new management, initial control of finance, purchases, capital expenditure, negotiation of support of outside stakeholders and neutralization of external pressures, quick pay-off projects and actions, quick cost reduction, revenue generation, asset liquidation for generating cash, mobilization of the organization for turnaround and internal co-ordination. for each of these elements Khandwalla then illustrated the range of actions involved in a turnaround (See Annexure 3.1: Elements of Corporate Turnaround as suggested by Khandwalla, 1989). The role of communication as documented in these actions is as given in Table 3.1.

Table 3.1: Elements requiring communication intervention

S No	Element	Communication as possible action
1	Credibility building actions by the new management	Publicize success in resolving a current crisis or problem (that has been resolved by resourcefulness and perseverance)
2	Initial Control	Order preparation of daily, weekly and monthly cash forecasts
3	Negotiation for support with outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> • Brief groups of stakeholders (including unions, financial institutions, major suppliers and customers) on the problems and strengths of the unit and some tentative turnaround plan. • Get stakeholders to suggest turnaround steps • Seek support, concessions etc. from stakeholders • Evolve jointly a broad turnaround strategy • Keep stakeholders posted on the progress of the turnaround
4	Quick Cost Reduction	Increase certain essential costs such as those involved in installing a computer based better market and govt. policies-related information systems, budgeting etc.
5	Revenue Generation	Unfocused advertising and promotion be more sharply focused. Eg: Sophisticated equipment manufacturers may cut down advertising and step up promotion; FMCG manufacturers may contact small grocery shops for retailing; may contact mass distributors for distribution of products etc.
6	Mobilization of organization for turnaround	<ul style="list-style-type: none"> • Repeated affirmation by corporate management of the Company's mission, core values, and the primary goals of profit and growth and the relationship of these three • Brief the staff on the actual state of affairs to displace rumors and gossip • Articulate a few highly concrete targets for the company for the next few months • Involve the staff in identifying solvable problem areas through management meetings, quality circles, task forces etc. • Clarify managerial responsibilities, get managers to identify work-related goals for themselves, and to plan achievement of key result areas. Give them operating autonomy but strengthen accountability for quantitative performance. Reward good performance by a mix of intrinsic motivators and pecuniary incentives • Top managers must set an example for integrity, fairness, hard work, resourcefulness and concern for the staff by their actions and in their

S No	Element	Communication as possible action
		interactions with the staff
7	Internal Co-ordination	<ul style="list-style-type: none"> • Set up co-ordination committees for co-ordinating interdependent departments • Institute a monthly performance review meeting of all senior managers chaired by the chief executive, to review previous decisions, fix monthly corporate targets for sales, production, collections etc. share operating information and discuss policy issues and announce policy decisions • Insistence by top management that as far as possible lower level disputes should be directly settled at the level on a face to face basis
8	Change in top management	-
9	Quick Pay-off projects	-
10	Asset liquidation for generating cash	-

Source: Developed by the researcher on the basis of study done by Khandwala (1989)

It is evident from Table 3.1 that turnaround managements were found to be employing several communication actions to enable turnaround elements/ objectives. The role of communication in enabling a turnaround is thus clearly evident.

Section II: Communication during Organizational Turnaround

Steyn (2003) asserted that overall strategic management is inseparable from strategic management of relationships. He recommended that a strategy should be in place for each stakeholder group. for each major stakeholder the management must identify the strategic issues that affect the stakeholder and must understand how to formulate, implement and monitor strategies with that group. The strategic management literature, however, points to the lack of integrated approaches for incorporating stakeholder concerns into the strategic decision making process. Many organizations do it well with one stakeholder group but few have the processes needed to integrate a number of stakeholder concerns. Barret (2002) asserted that there should be a one-to-one correlation between what the Company has established as its strategic objectives and what is listed as the objectives for communications. In addition, the communications must be structured to translate the central strategic messages (from vision to performance or financial goals) to all employees.

It is important therefore, to identify the critical stakeholders and the turnaround objectives (element) directed towards each stakeholder. Table 3.1 is therefore reorganized and presented in Table 3.2 to indicate the *turnaround elements (objectives) and recommended action plan* thereof, stakeholderwise.

Table 3.2: Turnaround element and possible communication action, classified stakeholder-wise

S. No	Stakeholder	Turnaround Element	Possible Communication Action
1	Staff and Employees	Credibility building actions by the new management	Publicize success in resolving a current crisis or problem (that has been resolved by resourcefulness and perseverance)
		Initial Control	Order preparation of daily, weekly and monthly cash forecasts
		Mobilization of organization for turnaround	<ul style="list-style-type: none"> Repeated affirmation by corporate management of the Company's mission, core values, and the primary goals of profit and growth and the relationship of these three Brief the staff on the actual state of affairs to displace rumors and gossip Articulate a few highly concrete targets for the company for the next few months Involve the staff in identifying solvable problem areas through management meetings, quality circles, task forces etc. Clarify managerial responsibilities, get managers to identify work-related goals for themselves, and to plan achievement of key result areas. Give them operating autonomy but strengthen accountability for quantitative performance. Reward good performance by a mix of intrinsic motivators and pecuniary incentives Top managers must set an example for integrity, fairness, hard work, resourcefulness and concern for the staff by their actions and in their interactions with the staff
		Internal Co-ordination	<ul style="list-style-type: none"> Set up co-ordination committees for co-ordinating interdependent departments Institute a monthly performance review meeting of all senior managers chaired by the chief executive, to review previous decisions, fix monthly corporate targets for sales, production, collections etc. share

S. No	Stakeholder	Turnaround Element	Possible Communication Action
			<p>operating information and discuss policy issues and announce policy decisions</p> <ul style="list-style-type: none"> Insistence by top management that as far as possible lower level disputes should be directly settled at the level on a face to face basis
2	Unions	Negotiation of support of outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> Brief unions on the problems and strengths of the unit and some tentative turnaround plan. Get them to suggest turnaround steps Seek support, concessions etc. from stakeholders Evolve jointly a broad turnaround strategy Keep stakeholders posted on the progress of the turnaround
3	Financial Institutions	Negotiation of support of outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> Brief groups of stakeholders (including unions, financial institutions, major suppliers and customers) on the problems and strengths of the unit and some tentative turnaround plan. Get stakeholders to suggest turnaround steps Seek support, concessions etc. from stakeholders Evolve jointly a broad turnaround strategy Keep stakeholders posted on the progress of the turnaround
4	Government	Negotiation of support of outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> Brief groups of stakeholders (including unions, financial institutions, major suppliers and customers) on the problems and strengths of the unit and some tentative turnaround plan. Get stakeholders to suggest turnaround steps Seek support, concessions etc. from stakeholders Evolve jointly a broad turnaround strategy Keep stakeholders posted on the progress of the turnaround
		Quick Cost Reduction	An improvement in systems to source government policies information.
5	Suppliers	Negotiation of support of outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> Brief groups of stakeholders (including unions, financial institutions, major suppliers and customers) on the problems and strengths of the unit and some tentative turnaround plan. Get stakeholders to suggest turnaround steps

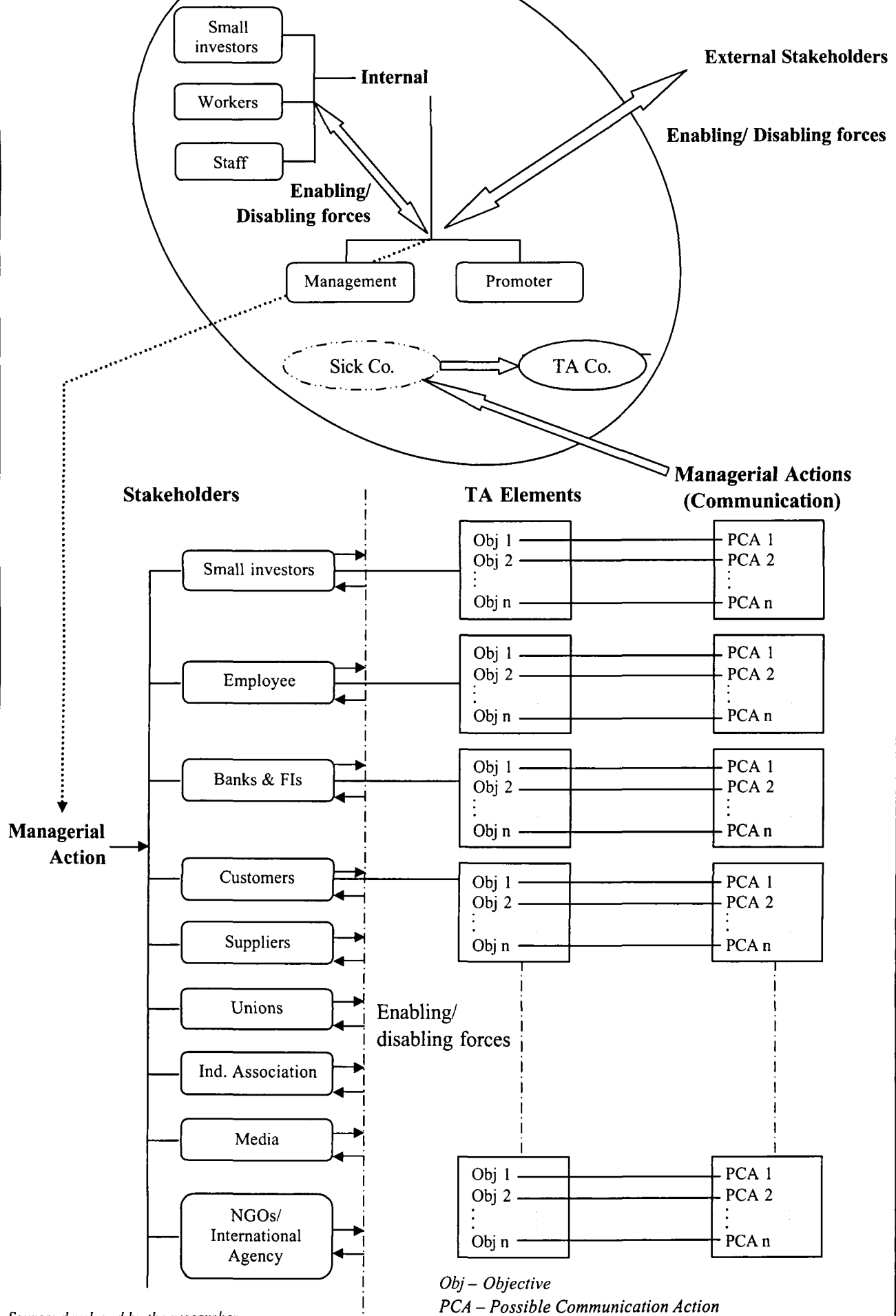
S. No	Stakeholder	Turnaround Element	Possible Communication Action
			<ul style="list-style-type: none"> • Seek support, concessions etc. from stakeholders • Evolve jointly a broad turnaround strategy • Keep stakeholders posted on the progress of the turnaround
6	Customers	Negotiation of support of outside stakeholders and neutralization of external pressures	<ul style="list-style-type: none"> • Brief groups of stakeholders (including unions, financial institutions, major suppliers and customers) on the problems and strengths of the unit and some tentative turnaround plan. • Get stakeholders to suggest turnaround steps • Seek support, concessions etc. from stakeholders • Evolve jointly a broad turnaround strategy • Keep stakeholders posted on the progress of the turnaround
		Quick Cost Reduction	An improvement in systems to source customer information.
		Revenue Generation	Unfocused advertising and promotion be more sharply focused. Eg: Sophisticated equipment manufacturers may cut down advertising and step up promotion; FMCG manufacturers may contact small grocery shops for retailing; may contact mass distributors for distribution of products etc.

Source: Developed by the researcher on the basis of Table 3.1

Moorcroft (2003) elaborated three types of communication strategies namely master strategic plan, operating plan and project plan. The strategic plan addresses what needs to be done and takes a medium approach of one to three years, so that its broad themes mirror the corporate strategy. The operational plan addresses how it is to be done and details the behavioural outcomes that the plan will deliver and the tactics and actions needed for each target audience. According to him, the plan must list the target audience – media, employees, government, analysts, customers etc. and should list the desired outcome or behaviour from the target audience.

Therefore, a list of objectives of communication with each stakeholder along with the possible communication actions, if created, could provide a basis for developing a specific Communication Strategy for an Organizational Turnaround (CS for OTA) for a given turnaround process/ situation (See Figure 3.3).

Figure 3.3: *A Model of Communication Strategy for Organizational Turnaround (CS for OTA)*



Source: developed by the researcher

A literature review of studies on organizational turnaround was conducted to draw out the role of communication during turnaround, as documented by researchers in other studies.

Managements of a company attempting a turnaround lead the attempt to revive the declining company. Harker and Sharma (2000) explored the way in which leaders manage the company turnaround process. They studied the process of managing strategies and operational changes and the relationship between those processes and improved turnaround performance in the heavy engineering industry in one state of Australia. The research approach involved development of four case studies of firms of medium size over a time scale of 1980-1996. Of the four companies two were successfully turned around, in another the company was split up and half of it was sold off in a leveraged management buy-out and the bought out company was the fourth case as the new owners embarked on the rescue of the ailing business. The study concluded that the companies were in decline because organizational characteristics were out of fit with the operating environment and the companies had lost their direction and competitive edge. The study provided empirical evidence of relationship between turnaround success and leadership. The challenge, it concluded, is to develop intangible assets through the concepts of industry wisdom, destiny development and organizational enhancement.

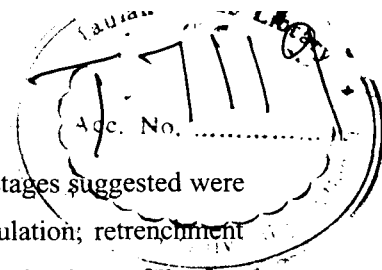
The authors in the discussion and analysis of the three tangible assets concluded that the leaders present their turnaround plans to their sponsors in order to gain their support, they encourage inquiry, communicate destiny and take several other communication actions. "This was the case with the successful turnaround at companies Autosoft and Southern Cross. The CEO of Walker's produced a strategic plan for his new board of directors which was: *...130 pages and 38 page financials – it was a history, a vision, an in-depth analysis, and a gut feel- and at the end of the day it was a plan that had to be put in place and not changed*" (Harker & Sharma, 2000).

Kow (2004) developed a model of turnaround of business performance. According to the model a successful business turnaround requires a right mix of six elements namely, 1) an appropriate strategic vision; 2) an organizational structure 3) a set of business processes; 4) a human resource architecture that will support the vision 5) technological innovation that will nourish the organization as well as enhance the product ranges; and 6) an organizational culture that will accept and commit to the effort. As he elaborated each of these, he wrote about the communication action

required thereof. According to Kow, a strategic vision is key to sustainable performance but he wrote that the turnaround strategic vision should be developed with key managers and not all. He laid emphasis on when and who to share the vision with and why, and also the need to ensure that the vision is understood and bought in completely. This, he recommended, must be done through a thought out communications plan with visible involvement of the CEO. He recommended that the communication plan be expanded to communicate urgency and to create understanding at large. Again in development and implementation of business processes Kow emphasized the need to communicate, to not only develop sound processes but to also motivate and strengthen commitment. Kow on the other hand warned against too many meetings with too large number of participants but recommended periodic interviews to seek views. He also recommended a comprehensive communications plan to address defence mechanisms of managers and employees who are terrified in the environment of organizational culture change. This communication plan must be a road map for employees to follow, so as to understand what is going on, for what reason and how it will occur. Kow insisted that the CEO be at the helm of the communication plan. Kow (2004) later modified the earlier model to show how the six elements of the model interrelate. He emphasized that the reality is complex and chaotic and there are no quick-fix solutions and that each turnaround would have its unique path. He illustrated this by following the developments during the turnaround of the Phoenix Corporation.

Yet another account of the turnaround that demonstrated the important role of communication during turnaround was documented by Meliones (2000). He wrote a first hand account of the Duke Children's hospital turnaround that he led in 1996. He illustrated the tools employed in the turnaround of the hospital and suggested survival strategies that he says are equally applicable to any industry. The first of the three strategies suggested was 'Communicate, communicate, communicate'. He detailed the importance of honestly clarifying to everyone that survival depended on cost management; the need to listen to employees; sharing the pulpit; preparing goal-oriented teams; constantly offering feedback; publicly celebrating employee and team success; cultivating a sense of humour. Meliones account in the article clearly indicated the critical role of communication in the turnaround process.

Turnaround was noted to proceed through several stages. Balgobin and Pandit (2001) in order to study how a turnaround was enabled developed a turnaround stages framework and then tested this framework against the case of IBM UK which experienced a turnaround in 1988-1997. This research was part of a larger research



study that employed comparative case study method. The five stages suggested were decline and crisis; triggers for change; recovery strategy formulation; retrenchment and stabilization and return to growth. The study concluded that the three of the four categories of events that aid the formulation of successful recovery plans, namely gaining control, managing stakeholders, and improving motivation, employ several communication actions for successful implementation.

In the turnaround studies studied some of the objectives and communication actions recommended were found to be repetitious. Communication actions as mentioned in all the above studies are tabulated in Table 3.3.

Table 3.3: Objective of communication and possible communication actions (stakeholder-wise)

S. No.	Stakeholder	Turnaround Element (Objective)	Possible Communication Action
1	Board of Directors/ Shareholders	Gain support and time in the future (Harker & Sharma, 2000)	Present detailed turn-around plan Open to accept the help and advice of senior management (Harker & Sharma, 2000)
2	Financial Institutions	Negotiating a contract for support (Harker & Sharma, 2000)	Present detailed turn-around plan (Harker & Sharma, 2000)
3	Employees	Involvement and Commitment for execution of the vision (Kow, 2004)	Develop vision with key managers (not all) responsible for the critical elements of the business Hold special sessions for non-participating managers after the vision has been developed to gauge their reactions, to listen to their views and to gain their commitment (Kow, 2004)
		Signals to shareholders and employees a disciplined approach of the leadership (Harker & Sharma, 2000)	Documenting, and communicating to shareholders and employees, a strategic plan (Harker & Sharma, 2000)
		Collect industry wisdom (Harker & Sharma, 2000)	Include key managers in the process. (Balgobin & Pandit, 2001; Harker & Sharma, 2000)
		Ascertain employees' perception on what	Hire consultant to hold interviews with a cross-section of business

S. No.	Stakeholder	Turnaround Element (Objective)	Possible Communication Action
		business is and where it should go. Set the scene for strategic workshop Focus the minds of the participants (Kow, 2004)	including those selected for strategic workshop. Before these individual interviews, each participant should be given a questionnaire on the issues of the business and its lack of profitability and growth. (Kow, 2004)
		Consistency in realization of objectives (Kow, 2004)	Key managers should through similar exercises develop purpose statements for their key functions (Kow, 2004)
		Report progress and share lessons learnt (Kow, 2004)	Strategic vision and its implementation progress be made a consistent agenda item in all management team meetings Vision targets be reiterated with conversations focusing on how to ensure that they are met satisfactorily (Kow, 2004)
		Managers and employees understand and internalize the vision Have views especially on areas in which they are not directly involved (Kow, 2004)	Inject urgency in the communications plan Explain what needs to be done and why (Kow, 2004)
		Prevent the workforce from thinking that the management is only guessing and is not capable of making decisions – to avoid demoralized workforce (Kow, 2004)	Make organizational structure flexible but the decisions transparent (Kow, 2004)
		Not to raise unnecessary expectations (Kow, 2004)	Do not promise too much to managers (Kow, 2004)
			Don't have too many meetings Participants should be invited only on the basis of having a need to know And the ability to contribute and with overriding purpose of gainful employment (Kow, 2004)

S. No.	Stakeholder	Turnaround Element (Objective)	Possible Communication Action
		Reduce turnover of qualified, competent employees (Kow, 2004)	HR department should arrange for periodic interviews of both new and existing employees, both individually and collectively to seek their views on the general well being of the new employees (Kow, 2004)
			Ensure that all employees regardless of level or location know what is going on, for what reason and how it will occur CEO should be the principle person to deliver the presentation in person and as often as possible. If logistics preclude then video presentation of CEO giving messages; senior manager well versed in message and eager to listen to the concerns of the audience, fully committed to the effort be present; alongwith handouts that address FAQs (Kow, 2004)
		Concerns of employees dealt in open and honest manner (Kow, 2004)	Follow up sessions offered (Kow, 2004)
		Buy-in and support of all staff especially frontline staff (Kow, 2004; Meliones, 2000)	Note any comments or queries and answers be provided asap Be open and honest (Kow, 2004; Meliones, 2000)
		Engage employees to find out their concerns, answer their questions and to get their inputs on how to make the company a better place to work (Kow, 2004) Information gathering for situation analysis (Balgobin & Pandit, 2001) Generate goodwill by showing that management is reasonable, optimistic and determined to save	CEO must get out of the office to talk to the employees and to listen to them (Kow, 2004; Meliones, 2000; Balgobin & Pandit, 2001)

S. No.	Stakeholder	Turnaround Element (Objective)	Possible Communication Action
		the Company (Balgobin & Pandit, 2001) Identify competent staff (Balgobin & Pandit, 2001)	
		Win trust and build collaborative environment (Kow, 2004)	Open Communication Style (Encourage employees to find answers, take decisions); (Kow, 2004)
		Lead by example to build open and trusting culture (Kow, 2004)	Seize every opportunity to be seen as fair and trustworthy (Kow, 2004)
		Gain competitive advantage (Kow, 2004)	Keep enhancing communication technology – email, mobile, ERP (Kow, 2004)
		People with other expertise can help build consensus (Meliones, 2000)	Share the pulpit (Meliones, 2000)
			Change people's roles; instead of identifying with an individual job (I am a nurse), employees should identify with goal-oriented teams ("We, the ICU team, work together to help children with heart problems") (Meliones, 2000)
		Keep organization on track (Meliones, 2000)	Offer constant feedback (Meliones, 2000)
		Motivation; Employees feel their opinion mattered (Meliones, 2000)	Publicize and celebrate every employee and team success (Newsletter, award, appreciation in open forum). (Meliones, 2000)
		Make people respond (Meliones, 2000)	Cultivate sense of humour – people will respond if you can laugh at yourself (Meliones, 2000)
		Get cooperation of all stakeholders: banks, suppliers, customers and employees/unions (Meliones, 2000)	Establish and communicate credibility (Meliones, 2000)

Source: developed by the researcher on the basis of literature review

While all these studies recommended communication actions or a communication plan, not even a single study was found to be focused completely on communication during turnaround. The gap is evident and therefore the need for research in the area is reaffirmed.

SECTION III: Developing A Framework of Communication Strategies For Organizational Turnaround (CS for OTA)

A framework of communication objectives and communication actions thereof directed towards different stakeholders during the turnaround process was created by combining Table 3.2 and Table 3.3. This framework is given in framework 3.1.

FRAMEWORK 3.1

Possible Communications with stakeholders for achieving turnaround elements (objectives), extracted from the study of literature on Turnaround

Stakeholder / Turnaround Element (objective)/
Possible Communication Action

Board of Directors/ Shareholders

Gain support and time in the future

- Present detailed turn-around plan
- Open to accept the help and advice of senior management

Staff and Employees

Credibility building actions by the new management

- Publicize success in resolving a current crisis or problem (using resourcefulness and perseverance)
- Make decisions transparent. It enhances workforce confidence in the management. Prevents them from being demoralized. Helps them understand unpopular decisions.
- Exercise Communication Control. Do not make unattainable promises to managers. Avoid raising unnecessary expectations

Initial Control

- Order preparation of daily, weekly and monthly cash forecasts
- Exercise Communication Control. Don't have too many meetings. Invite participants on the basis of their need to know, the ability to contribute.

- Seek views on the general well being of the employees. Arrange for periodic interviews of employees, both individually and collectively. May hire a consultant for the purpose. Helps reduce turnover of qualified, competent employees

Planning the turnaround: Develop a plan; gain involvement and commitment in the process

- *Include only key managers for development of vision*
- *Hold special sessions for non-participating managers after vision has been developed*
- *Listen to the views of all managers. Gauge their reactions*
- *Understand perceptions and focus minds of managing team. Set the scene for turnaround.* Hire a consultant to hold interviews with a cross-section of business including members of the strategic team. Before these individual interviews, each participant should be given a questionnaire on the issues of the business and its lack of profitability and growth.

Mobilization of organization for turnaround

- *CEO should deliver the vision presentation in person and as often as possible.* If logistics preclude the CEO from delivering the presentation then **video presentation of CEO giving messages along with a** senior manager well versed in the message and eager to listen to the concerns of the audience, fully committed to the effort should be present alongwith handouts that address FAQs
- *Inject urgency in the communications plan. Explain what needs to be done and why.* Managers and employees should be able to see where they are headed (Kow, 2004).
- *Managers and employees understand and internalize the vision*
- *Ensure all employees know what is going on, for what reason and how it will occur.* This must be ensured regardless of level or location. Helps displace rumors and gossip
- *Share the pulpit.* People with other expertise can help build consensus
- *Deal with concerns of employees in open and honest manner.* Offer Follow up sessions
- *Note any comments or queries and answers be provided as soon as possible.* This will ensure buy-in and support of all staff especially frontline staff
- *CEO must get out of the office to talk to the employees and to listen to them* Engage employees to find out their concerns, answer their questions and to get their inputs on how to make the company a better place to work. This is a channel for information gathering for situation analysis; generate goodwill by showing that management is reasonable, optimistic and determined to save the Company; Identify competent staff;
- *Employ open ended communication style that encourages employees to find answers, take decisions.* It will help to win trust and build collaborative environment
- *Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.* The relationship of these three to the strategic vision and its implementation progress be made a consistent agenda item in all management team meetings

- *Articulate a few highly concrete targets for the company for the next few months*
- *Involve the staff to identify solvable problem areas and have their views on uninvolved areas.* Management meetings, quality circles, task forces etc could be employed in achieving this.
- *Rephrase people's roles to clarify managerial responsibilities.* Instead of identifying with an individual job (I am a nurse), employees should identify with goal-oriented teams ("We, the ICU team, work together to help children with heart problems")
- *Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.* Seize every opportunity to be seen as fair and trustworthy. This must be supported by action.
- *Publicize and celebrate every employee and team success.* Newsletter, awards, appreciation in open forum are some of the ways of achieving the same. Makes the employees feel their opinion matters

Internal Co-ordination

- *Offer constant feedback to keep organization on track*
- *Set up co-ordination committees for co-ordinating interdependent departments*
- *Institute a monthly performance review meeting of all senior managers chaired by the chief executive.* This is to review previous decisions, fix monthly corporate targets for production, sales, collections etc. share operating information and discuss policy issues and announce policy decisions
- *Insist that lower level disputes be settled at that level on a face to face basis*
- *Keep the atmosphere light.* Cultivate sense of humour – people will respond if you can laugh at yourself.
- *Keep enhancing communication technology – email, mobile, ERP and gain competitive advantage*

Unions

Negotiation of support of outside stakeholders and neutralization of external pressures

- *Brief unions on the problems and strengths of the unit and some tentative turnaround plan.*
- *Get them to suggest turnaround steps*
- *Seek support, concessions etc. from the unions*
- *Evolve jointly a broad turnaround strategy*
- *Keep unions posted on the progress of the turnaround*

Banks and Financial Institutions

Negotiation of support of outside stakeholders and neutralization of external pressures

- *Brief Banks and FIs on the problems and strengths of the unit and some tentative turnaround plan*
- *Get them to suggest turnaround steps*

- *Seek support, concessions etc. from FIs*
- *Evolve jointly a broad turnaround strategy*
- *Keep FIs posted on the progress of the turnaround*

Government

Negotiation of support of outside stakeholders and neutralization of external pressures

- *Brief government on the problems and strengths of the unit and some tentative turnaround plan.*
- *Get them to suggest turnaround steps*
- *Seek support, concessions etc. from government*
- *Evolve jointly a broad turnaround strategy*
- *Keep government posted on the progress of the turnaround*

Suppliers

Negotiation of support of outside stakeholders and neutralization of external pressures

- *Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.*
- *Get suppliers to suggest turnaround steps*
- *Seek support, concessions etc. from suppliers*
- *Evolve jointly a broad turnaround strategy*
- *Keep suppliers posted on the progress of the turnaround*

Customers

Negotiation of support of outside stakeholders and neutralization of external pressures

- *Brief customers on the problems and strengths of the unit and some tentative turnaround plan.*
- *Get customers to suggest turnaround steps*
- *Seek support, concessions etc. from customers*
- *Evolve jointly a broad turnaround strategy*
- *Keep customers posted on the progress of the turnaround*

Quick Cost Reduction

Improve systems to source industry information.

Revenue Generation

Unfocused advertising and promotion be more sharply focused. Eg: Sophisticated equipment manufacturers may cut down advertising and step up promotion; FMCG manufacturers may contact small grocery shops for retailing; may contact mass distributors for distribution of products etc.

Framework 3.1 is abbreviated to prepare Framework 3.2. Framework 3.2 is proposed as a comprehensive list of communication objectives of companies attempting a turnaround and communication actions for addressing various stakeholders, proposed to achieve the same.

FRAMEWORK 3.2

Proposed Abridged Framework of Communication Strategies for Organizational Turnaround (CS for OTA)

Stakeholder/ Turnaround Element (objective)/ Possible Communication Action

Board of Directors/ Shareholders

Gain support and time in the future

- Present detailed turn-around plan

Staff and Employees

Credibility building actions by the new management

- Document, and communicate a strategic turnaround plan
- Publicize success in resolving a current crisis or problem
- Make decisions transparent
- Exercise Communication Control

Initial Control

- Order preparation of daily, weekly and monthly cash forecasts
- Exercise Communication Control.
- Seek views on the general well being of the employees.

Mobilization of organization for turnaround

- Include key managers for development of industry wisdom
- Include only key managers for development of vision
- CEO should deliver the vision presentation in person and as often as possible.
- Hold special sessions for non-participating managers after vision has been developed to share planned vision
- Inject urgency in the communications plan. Explain what needs to be done and why
- Listen to the views of all managers. Gauge their reaction
- Understand perceptions and focus minds of managing team. Set the scene for turnaround.
- Ensure all employees know what is going on, for what reason and how it will occur.
- Share the pulpit.

- Deal with concerns of employees in open and honest manner. Offer Follow up sessions
- Note any comments or queries and provide answers asap.
- CEO must get out of the office to interact with the employees and to listen to them
- Employ open ended communication style that encourages employees to find answers, take decisions.
- Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.
- Articulate a few highly concrete targets for the company for the next few months
- Involve the staff to identify solvable problem areas and have their views on uninvolved areas.
- Rephrase people's roles to clarify managerial responsibilities.
- Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.
- Publicize and celebrate every employee and team success.

Internal Co-ordination

- Offer constant feedback to keep organization on track
- Set up co-ordination committees for co-ordinating interdependent departments
- Institute a monthly performance review meeting of all senior managers chaired by the chief executive.
- Insist that lower level disputes be settled at that level on a face to face basis
- Keep the atmosphere light.
- Keep enhancing communication technology – email, mobile, ERP etc.

Unions

Negotiation of support of Unions and neutralization of Unions' pressures

- Brief unions on the problems and strengths of the unit and some tentative turnaround plan.
- Get them to suggest turnaround steps
- Seek support, concessions etc. from the unions
- Evolve jointly a broad turnaround strategy
- Keep unions posted on the progress of the turnaround

Banks and Financial Institutions

Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures

- Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan
- Get them to suggest turnaround steps

- Seek support, concessions etc. from Banks and/or FIs
- Evolve jointly a broad turnaround strategy
- Keep Banks and/or FIs posted on the progress of the turnaround

Government

Negotiation of support of Government and neutralization of Government pressures

- Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.
- Get them to suggest turnaround steps
- Seek support, concessions etc. from the government
- Evolve jointly a broad turnaround strategy
- Keep the government posted on the progress of the turnaround

Suppliers

Negotiation of support of suppliers and neutralization of suppliers' pressures

- Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.
- Get suppliers to suggest turnaround steps
- Seek support, concessions etc. from suppliers
- Evolve jointly a broad turnaround strategy
- Keep suppliers posted on the progress of the turnaround

Customers

Negotiation of support of customers and neutralization of customers' pressures

- Brief customers on the problems and strengths of the unit and some tentative turnaround plan.
- Get customers to suggest turnaround steps
- Seek support, concessions etc. from customers
- Evolve jointly a broad turnaround strategy
- Keep customers posted on the progress of the turnaround

Sourcing industry information for quick cost reduction

Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information

Revenue generation

Unfocused advertising and promotion be more sharply focused

Framework 3.2 is a comprehensive list of various stakeholders that may be considered critical for enabling a turnaround. Further, the framework also lists the

communication objectives that a turnaround management may have for each critical stakeholder during the turnaround period. Communication actions that management of different successful turnaround companies employed to achieve objectives of turnaround strategy (turnaround elements) are also compiled in this framework.

An attempt has been made to prepare a comprehensive list of stakeholders considered critical during the turnaround process, based on literature survey of turnaround studies carried out across the world and reviewed for this study. Since none of the studies reviewed, provide a comprehensive communication strategy for turnaround, it may be assumed that the framework developed is not completely mandatory for every turnaround. This is to say every company that is able to enable a turnaround would necessarily have to deal with some of the critical stakeholders but not necessarily all of them. Though an attempt has been made to prepare a comprehensive list of communication audiences (stakeholders), communication objectives and communication actions (interventions), there is need to establish whether or not the lists are comprehensive. If the validity of the framework is established, then patterns in findings may be studied to understand the role and impact of communication in enabling change in general and turnaround in specific.

Propositions to be validated

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address one or more of the communication objectives given in the framework though not necessarily all.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

Proposition P_{2A}: Every company that undergoes a turnaround would necessarily have to address one or more of the critical stakeholders given in the framework.

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Proposed Model of Communication Strategies for Organizational Turnaround

It is proposed that an organization is embedded into an environment, as depicted in Figure 3.1. There are disabling forces emanating from various stakeholders that are exerting themselves on a sick company, as depicted in Figure 3.2. The management/promoter (as discussed earlier) assume the central responsibility for managing the disabling forces. Appropriate managerial decisions direct managerial actions which lead to organizational turnaround, as depicted in Figure 3.3. The managerial actions include thought out communication actions/ interventions which are designed to meet strategic communication objectives for each stakeholder. The strategic communication objectives have one-to-one co-relation with strategic turnaround objectives. Framework 3.2 presents a comprehensive list of stakeholders, objectives and communication actions which is proposed as the theoretical framework for Communication Strategies for Organizational Turnaround (CS for OTA).

This study will attempt to validate Figure 3.1, Figure 3.2, Figure 3.3 and Framework 3.2.

Research Methodology and Design

Research Objectives

The overall purpose of the research was to identify communication strategies adopted by companies that have successfully enabled a turn around in the recent past (1995-2005). The study was focused on Indian companies that had turned around from a sick state and shown sustained growth for atleast three years. The objectives of the study were:

- Exploring the importance of communication in the process of managing change
- Identifying communication interventions employed during the change process
- Identifying communication technologies adopted and implemented as part of the change process
- Exploring challenges and opportunities created by emerging technologies
- Identifying resources and skills required to facilitate development and implementation of an effective communication strategy
- Appreciating the variables and their criticality in making a communication strategy effective
- Identifying the challenges faced in developing and implementing an integrated communication strategy for managing change in organizations
- Exploring if any existing theories of communication like exchange model, socialization model or accommodation model have been applied
- Identifying directions for improvement in communication strategies

Research Propositions

This study attempted to establish the context by validating Figure 3.1 and Figure 3.2 and propose a Strategic Communications Model for Organizational Turnaround (CS

for OTA) by validating Figure 3.3 and propositions for validating Framework 3.2. (Details as per Section I and II of Theory Building and Propositions (Chapter 3).

Research Methodology

Selection of Research Methodology: A **realist worldview** has dominated research in the field of communications. It assumes that reality is an objective, observable entity which is

independent of those involved in it. **Quantitative research** that is concerned with discovery of universal laws of cause and effect which apply across different times and contexts is usually employed by researchers and practitioners who agree with the realist paradigm. This is because quantitative techniques seek to distance the researcher from the data, both in the methods of collecting data and also in analysis where numbers and statistics are favoured over words and the organization of language. Mainstream research on managed communication has been realist in its approach.

However, the contemporary books on research indicate a great potential for study of communication from the viewpoint of those involved in it (Daymon & Holloway, 2002; Yin, Robert K, 2003; Tashakkori & Teddlie, 1998). In recent years, modern organizations have shifted focus from control to coordination. As a result, a subtle change has taken place in the disciplines of public relations and communications. These disciplines are turning their attention to notions of dialogue and collaboration – communicating *with* people rather than *to* audiences. Creating a collaborative dialogue means negotiating meanings in an interactive manner – in other words finding out what each is about and adjusting to each other. It is not sufficient for organizations to state the identity they require, unless they have first heard, appreciated and taken on board the concerns and opinions of those with whom they are talking. (Daymon & Holloway, 2002: 10). Fill (1999) wrote that ‘good relationships are developed by appreciating the views held by others’ and by ‘putting oneself in their shoes’. The companies are becoming ‘mindful’ in their communications and thus do not merely propagate their view; they rather listen to the stakeholders’ perspective and empathize (which does not necessarily mean they agree but it certainly indicates mindfulness in dialogue) (Daymon & Holloway, 2002: 11). It was found that the role of communication as documented in existing literature on turn around also indicated an inclination towards mindful approach.

Meyer (2004) wrote that organizations often find it hard to change their corporate strategy radically, even if the need for change is widely recognized as in the Asian crisis of 1997. Such change requires large numbers of stakeholders to change their individual behavior. He considered the coordination of stakeholders as the core of governance during radical environmental change and argued that radical change requires leaders to communicate and create common knowledge about the organization's future strategy. This view of reality emphasizes on subjectivity and professes that a study of communication be done within its context. Companies that turnaround are therefore expected to adopt mindful dialogue with stakeholders. for the purpose of this research, it was thus important to understand the social reality constructed during the phase of this radical change in organizations.

Thus, in accordance with Daymon and Holloway (2002), aim of this research study, which was to delve in communication, resonated better with the aims of **qualitative research** studies rather than with those of quantitative research methods. Qualitative research methods could help to unravel the phenomena such as mindfulness or mindlessness, as it is based on words as the unit of analysis rather than numbers. Also, to understand the undocumented communication plans that practitioners might have adopted, this research methodology made sense. A small-scale study that ensured close involvement of the researcher with the context under investigation, flexibility, participant view points, and a holistic focus, amongst other features were all desired and qualitative research therefore offered an edge over quantitative research that assumes a more realistic rather than an interpretive approach. Thus, it was decided to adopt a qualitative research methodology.

Qualitative Research Technique Selection: The various qualitative research methods are ethnography, discourse analysis and phenomenology, grounded theory or case study. *Ethnographic approach* to research has the potential to reveal how communication exchanges and interactions are influenced by culture. It entails researchers immersing themselves in a group, organization or community for an extended period of fieldwork. Making the desirable time commitment for field work was not possible given the constraints of the doctoral work to be carried out in a stipulated time period. Besides, the possibility of organizations permitting deep immersion and interaction with various stakeholders was not very high, in the absence of which this methodology could not ensure reliable outcome.

Discourse analysis and phenomenology is a qualitative research method that enables a researcher to bring out the implied meanings and tacit coding in the respondent's

language use in all its various forms of communication. The researcher attempts to study the linguistic patterns to draw the reality in which the communications are embedded. Though, discourse analysis was not the primary research technique adopted, it was to some extent employed to analyze the interviews of various respondents.

Phenomenology provides means to the researcher to set aside its own ideas and assumptions about the subject and then collect data to later carry out thematic analysis of the data collected. However, research methodology literature warns that unless one has a sound understanding of the philosophy of phenomenology, one would find it difficult to successfully apply this research. It also warns that finding people who have experienced the phenomena one wishes to study and who are willing to spend the time required for extended discussions could be problematic. Considering these constraints it was decided to not to adopt this methodology as well.

Yet another qualitative research approach that was explored was the **grounded theory approach**. When a researcher wishes to generate, develop theory or offer interpretations different from what theorists have been offering about the subject phenomena, a grounded theory research is recommended. An initial review of literature on turnaround did not present much done exclusively to establish communication strategies for enabling organizational turnaround. However, whatever little was documented as part of studies focused primarily on other areas, did not offer any interpretations that were found to be conflicting with the researchers view on the same. Thus, while the need to develop a framework to extend the existing theory was felt, the need to essentially offer different interpretations to existing work (which actually was little) was not felt. Thus a grounded theory approach was not the most suited approach to carry out this study.

Yet another qualitative research method that could be adopted was the **case study approach**. A case study is an empirical inquiry that investigates contemporary phenomena within its real life context, especially when the boundaries between phenomena and context are not clearly evident. This was expected to be the situation in the current study as it was possible that respondents may not very finely distinguish between what they did especially for a turnaround situation. for instance, a management deciding to incorporate ERP may not be able to decide whether the decision was for turnaround or for growth. The distinction then between when the efforts shifted from turnaround to growth could be very difficult to make.

A case study copes with the technically distinctive situation in which there are many more variables of interest than data points, as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion. Here a result benefits from the prior development of theoretical propositions to guide data collection and analysis. Thus it allows an investigator to retain the holistic and meaningful characteristic of real life events – such as individual life cycles, organizational and managerial processes, neighbourhood change, international relations and the maturation of studies (Yin, Case Study Research, Sage Publications, 1987, p14). In the current study, number of variables (stakeholders, objectives and communication interventions) under study, are very large and must triangulate to make one real life event – the organizational turnaround. A case study methodology is ideally suited for such a case.

In the current research, it was possible that the management of the organizations being studied had not documented or captioned a communication strategy as a communication strategy. The purpose of the research was however to figure out whether the management subconsciously (if not consciously) strategized how it would conduct its communications with various stakeholders. This meant that there was a need to make the respondent share his or her experiences of the turnaround and extract from their versions, meanings that indicate whether or not a communication strategy was agreed upon while enabling the turnaround. Questions such as how did the sickness impact relationship with suppliers, customers, employees etc. were expected to fetch descriptive responses such as impact on credibility, trust, cooperation, willingness etc. The communication strategies adopted to tackle various implications of sick companies had to be deciphered from responses to questions such as how did you build back the trust, how did you decide to follow the method you did?

According to Yin (1987), the first and most important condition for differentiating among the various research strategies is to identify the type of research question being asked. In general “what” question may either be exploratory (in which case any of the strategies be used) or about prevalence (in which surveys or analysis of archival records would be favored). “How” and “why” questions are likely to favor the use of case studies, experiments or histories.

Yet another question to be addressed was to identify the impact of communication on turnaround. In any communication, it is obvious that the impact of communication would be dependant on both the objective of communication and delivery of the

message. Objective of communication during turnaround however, is dependant on the turnaround strategy and thus the outcome of communication is dependant on both the quality of turnaround strategy and the quality of communication. The two cannot be separated as the communication has to happen in the context of the turnaround strategy.

If one assumes that communication has some role and impact on turnaround, then to be able to measure the impact of communication one would have to segregate the impact of the communication objective and impact of communication delivery as the former is perhaps more dependant on the turnaround strategy than on communication strategy.

Thus, it is possible to quantify the impact, if experiments under controlled conditions (control objectives and vary communications) could be carried out to measure impact of communication delivery in a given situation. In the current research study, each organization was expected to have turned around from a different situation in a different environment. The researcher had no control on the environment or the incidents that had led to the turnaround. Experimentation under controlled conditions was therefore not possible.

A survey to understand the perceptions of impact of communication is another possible method for research. However, the results in this case are dependant on how clearly can respondents differentiate between the impact of turnaround strategy and impact of its communication. Since the researcher had no control on conditions and the variables under study were large, case study technique was considered most appropriate for the study and hence adopted.

The case study technique also permits a researcher to record and analyze the subject's impressions and employ secondary information for validation. This is not possible in the survey method. Since, one would rather not depend on the respondent's capability to segregate impact of turnaround strategy and turnaround communications, case study method provides an edge over the survey method. Although, it does not permit experimentation for quantifying the impact, it does provide the researcher the flexibility to gauge the impact from the information available. A subjective impression, either of the practitioner or of the researcher substantiated by secondary information was therefore considered the best measure of impact of communication during turnaround. It was decided to adopt the case study research methodology, for the purpose of this study.

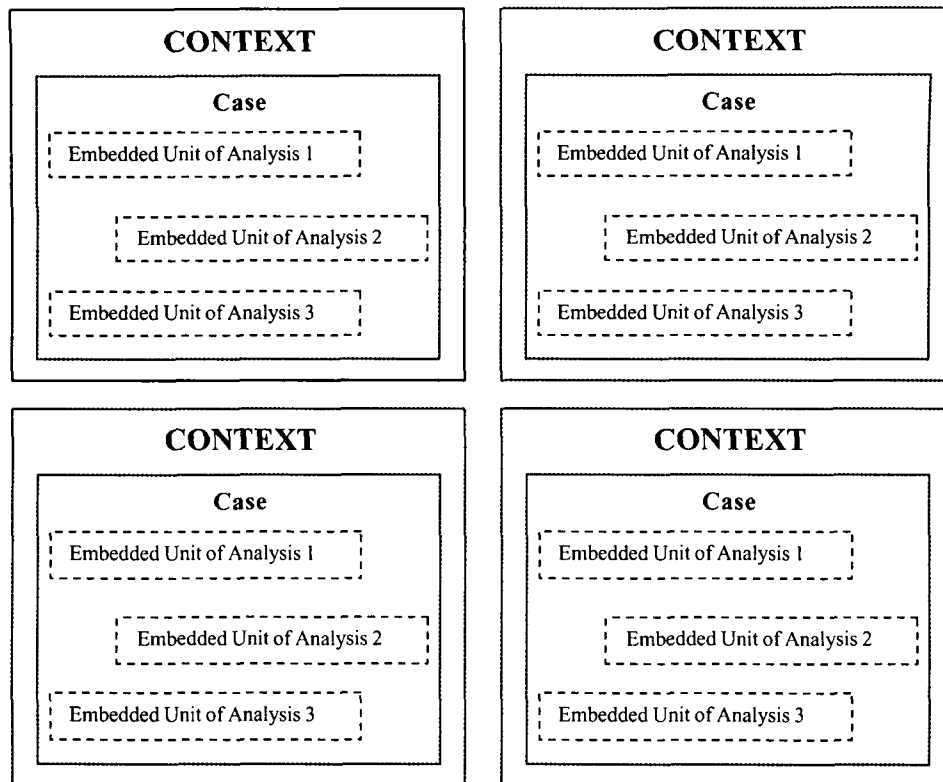
Unit of Analysis: The proposed CS for OTA comprised of three components, namely, stakeholders, communication objectives and communication interventions. Thus, the proposed model of CS for OTA was to be tested against communication strategy of successful turned around organization. The research design selected was thus employed ‘Turnaround communication strategy’ as the primary unit of analysis and ‘Turnaround communication objectives set for each stakeholder’, ‘stakeholders addressed during turnaround’ and ‘communication interventions for each objective’ as the embedded units of analysis.

Case Study Design: A single case study is analogous to a single experiment and many of the same conditions that justify a single experiment also justify a single-case study. One rationale for a *single-case study* is when it represents a critical case in testing a well formulated theory. This however was not true for this research, where a new framework was being developed. The second rationale for a single case represents an extreme case or a unique case which again was not relevant in the present study. This third rationale for a single case is the *representative or typical case*. The objective here is to capture an everyday commonplace situation. Since sickness and the turnaround thereafter could be a result of a large variety of reasons it was not considered pragmatic to select one organization as a representative sample of organizations that have turned around. The fourth rationale for a single-case study is the *revelatory case*. This situation exists when an investigator has an opportunity to observe and analyze a phenomenon previously not accessible to scientific investigation. This again was not the situation in the present study. The fifth rationale is the *longitudinal case*: studying the same case at two or more different points of time. This was again not feasible as it was not very likely that an organization going through the turnaround would permit an investigator to study the ongoing process. Besides, the time constraints attached to the doctoral work also limited the feasibility of such a study.

A Multiple-Case design on the other hand is often considered more compelling evidence and therefore regarded as being more robust (Herriot & Firestone, 1983). Though it required extensive resources in terms of money and time, these were considered within the reach of the researcher. The multiple-case design was thus selected for the purpose of this study.

Thus, the research design employed was an *embedded multiple-case research design*. (see figure 4.1)

Figure 4.1 Multiple-case designs

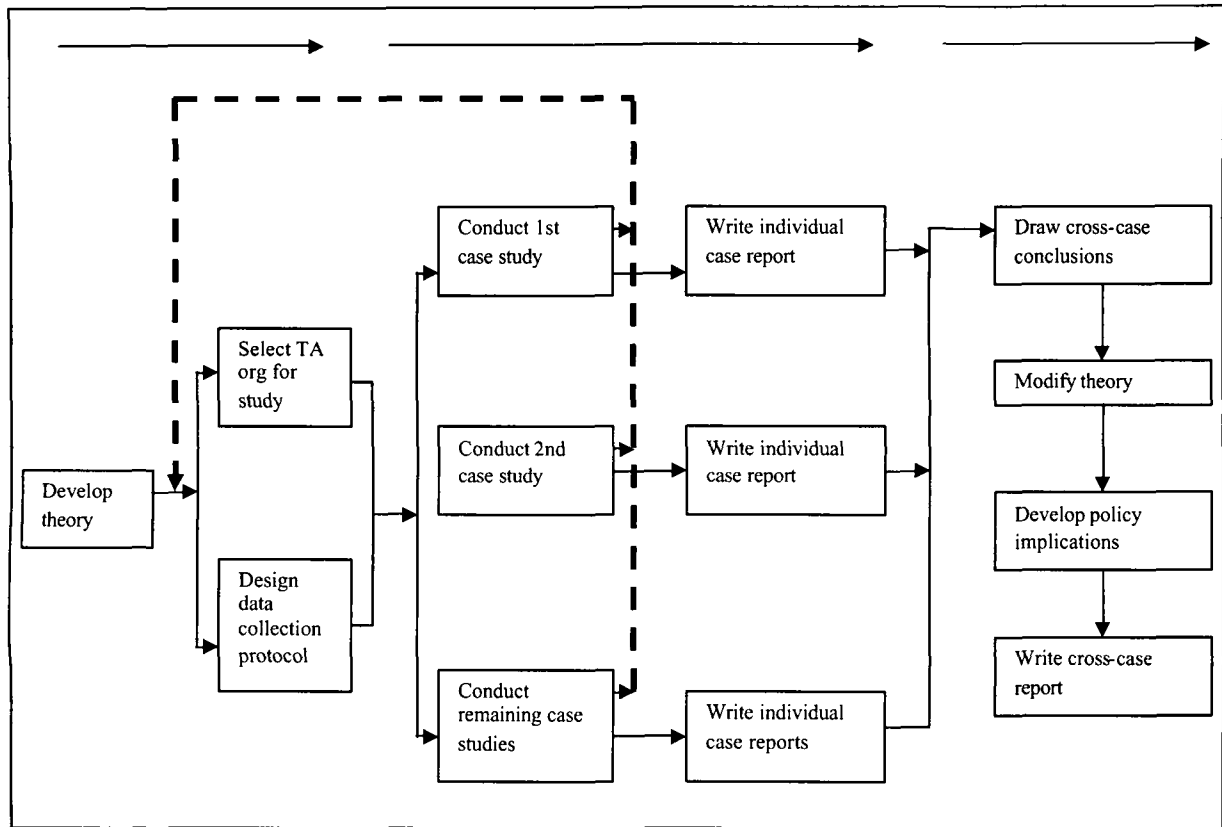


Source: Adapted with some variation from Yin, R.K (2003). *Case Study Research: Design and Methods*, p40. 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series

Linking Data to Propositions: Replication logic is analogous to that used in multiple experiments (Hersen & Barlow, 1976; Yin, 2003). The logic therefore is to select each case carefully so that it either (a) predicts similar results (a literal replication) or (b) predicts contrasting results but for predictable reasons (a theoretical replication). Yin (2003) wrote that 6 to 10 case studies, arranged effectively within multiple-case design are analogous to conducting 6 to 10 experiments on related topics; a few cases (2 or 3) would be literal replications, where as a few other cases (4 to 6) might be designed to pursue different patterns of theoretical replications. If all the cases turn out as predicted, these 6 to 10 cases, in aggregate, would have provided compelling support for the initial set of propositions. If the cases are in some way contradictory, the initial propositions must be revised and retested with another set of cases.

It was expected that collecting data/ organizing interviews with failed or failing turnaround managements to candidly share the bitter experiences and faulty decision choices, could be difficult or problematic. *Literal replication* on a number of successful organizational turnarounds was therefore thought to be a more practical technique and hence adopted.

Figure 4.2: Protocol Adopted for Case Study Method

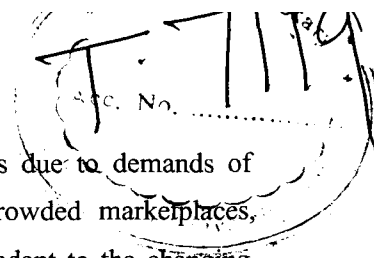


Source: Adapted with some variation from Yin, R.K (2003). *Case Study Research: Design and Methods*, p50, 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series.

Scope of Study: For the purpose of this study some critical terms were defined as follows:

Change: Organizations target changes of various kinds such as diversifying into new markets or changing its product mix or globalizing or becoming transnational or enabling a turnaround (the list is indicative only). for the purpose of this study, focus was maintained on only one kind of change, as communication challenges in each kind of change could be different. The intent was to understand if there were common communication challenges in one kind of change initiative and whether a comprehensive communication strategy could be suggested for such a change initiative.

Change can be an ongoing process in an organization or a radical change. Communication challenges in each case can be very different from those in the other type Study of change as an ongoing process requires a longitudinal study. Since the Doctoral research was to be carried out in relatively shorter duration, it was decided to study a *radical change initiative*.



In the recent past, many organizations faced turbulent times due to demands of globalization, increasing competition, shrinking margins, crowded marketplaces, cheaper labour etc. Many companies that could not quickly adapt to the changing scenario, failed miserably. Some companies, however, took the bull by the horns and enabled a turnaround for themselves. This kind of turnaround, is perhaps one of the most radical change that a company can attempt. Communication challenges are expected to be significant during such an initiative. Therefore, for the purpose of this research, it was decided to study communication strategies during *turnarounds*.

Type of Turnaround: There are three kinds of turnarounds, namely, economic, industry and organizational turnaround. for the purpose of this study, focus was maintained on *organizational turnaround*.

Maturity of the organization being studied: The challenges before an organization during different phases of maturity are different. These may range from issues concerning delegation, co-ordination to collaboration in the first, second and third phase of maturity respectively. It was decided to select companies in the fourth phase of maturity. This was to ensure homogeneity in the sample.

Thus, for the purpose of this research, turnarounds in organizations that have matured to the *fourth level of maturity* in times of good organizational health were selected for study.

Net Worth: Net Worth of a Company is its paid up capital plus its free reserves.

Sick Organization: If the performance declined to an extent that the networth of a Company turned negative (that is the accumulated losses exceed the networth) then the Company was defined as a sick organization.

Turned around Organization: As discussed in chapter 2 Literature Review, turnarounds have been defined in several ways. However, as is obvious, the challenges before a management that has to turnaround a sick company, whose net worth is eroded to a negative figure, are perhaps most daunting. for the purpose of this study, it was decided that organizations that had turned around from a sick state (negative net worth) to a healthy growth (positive net worth for some years) be selected for study and henceforth be termed as turned around companies in this research work.

To ensure that these organizations were at one time in the fourth stage of organizational cycle, only those organizations listed on a stock exchange were to be selected for study.

Turnaround Cycle time: Prior research into business turnaround differs with regard to the length of the turnaround cycle. Schendel, Patton & Rigs (1976), Bibeault (1982) and Poston, Harmon & Gramlich, (1994) all used a turnaround cycle time period of *eight years* (four years for the downturn and four for the upturn). Chowdhury & Lang (1996), Hambrick & Schecter (1983), Pearce & Robbins (1993), Smith & Gunalan (1996) and Smith & Graves, (2005) each used *four years* (two years for the downturn and two years for upturn).

For the purpose of the current study, in order to ensure that the turnarounds were relevant in current context, it was important to select turnarounds that happened in the recent past. It was therefore decided that the point of turnaround of networth of the organization to be selected for study should be within the last ten years (1995-2005).

A turnaround cycle of eight years would have been too long as the number of organizations that could be picked up for study could be too small. Also, the recall and interest of the turnaround management could fade in such a long span of time. On the other hand six years of turnaround cycle time was giving a decent sample and naturally was offering a more confirmed sample and a wider study period than that offered by a four year turnaround cycle. for this study, it was therefore decided that a turnaround cycle of six years (three years downturn and three years upturn) be used.

Selection of turned around Organizations for the research study:

Organizations listed on the stock exchange whose networth was eroded and remained negative for atleast three years and then turned around to become positive for atleast three years were to be selected.

1. Financial information of all the 5780 Companies whose information was available from the CMIE Prowess¹ databank was sourced. Prowess posts and updates information of listed companies only. The information sourced was for the period 1995-2005.
2. 705 Companies were found to have gone sick at some point of time during 1995 to 2005.
3. From these 705 Companies, the networth of 39 Companies was found to have remained negative for atleast three years and then turned around to positive networth for atleast three years (turnaround cycle time – 6 years). The list of these 39 Companies is as given below in Table 4.1:

¹ Prowess is a corporate database service from the Centre for Monitoring Indian Economy (CMIE). The database incorporates the profit and loss statement, balance sheets, cash flows, products manufactured, raw materials consumed etc.

Table 4.1: Companies that turned around during 1995-2005

S. No.	Company	Industry	City
1	Amrit Banaspati Ltd.	Food & Beverages (Vanaspati)	Ghaziabad, UP
2	+Howrah Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
3	Naihati Jute Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
4	Namburnadi Tea Co. Ltd.	Food & Beverages (Tea)	Kolkata, W Bengal
5	Vegetable Products Ltd.	Food & Beverages (Vanaspati)	Kolkata, W Bengal
6	Indian Polyfibres Ltd.	Textile	Lucknow, UP
7	Asia Fab Ltd	Textile	Mumbai, Maharashtra
8	Tasty Bites Eatbles Ltd.	Food & Beverages (Packaged Food)	Pune, Maharashtra
9	Pettavaitalai Sugars and Chemicals Ltd	Molasses and Sugar	Chennai, TN
10	Radico Khaitan Ltd.	Champagne	Delhi
11	Associated Pigments Ltd.	Chemical	Kolkata, W Bengal
12	Empee Sugars and Chemicals Ltd	Molasses and Sugar	Nellore, Andhra Pradesh
13	Gujarat Themis Bisyn Ltd	Antibiotic Drugs and Rifampicin	Valsad, Gujrat
14	Elder Projects Ltd	Pharmaceuticals	Assam, india/ Mumbai
15	Mangalore Chemicals and Fertilizers Ltd	Urea	Bangalore, Karnataka
16	Henkel India Ltd	Rectified Spirit	Chennai, TN
17	Teesta Agro Industries Ltd.	Fertilisers- Single Super Phosphate	Jalpaiguri, W. Bengal
18	Uniroyal marine exports Ltd		Kozhikode, Kerela
19	Sheel International Ltd		New Delhi
20	Kongrar Integrated Fibres Ltd		Palani, TN

S. No.	Company	Industry	City
21	Shaba Chemicals Ltd	Pharmaceuticals	Ratlam, MP
22	India Polyfins Ltd	Textiles- Weaving	Surat, Gujarat
23	Sarita Synthetics India Ltd		
24	Torrent Gujarat Biotech Ltd	Penicillin	Ahmedabad Gujarat
25	Recron Synthetics Ltd	Textiles-Manmade Fibre	Allahabad, UP
26	Pasari Spinning Mills Ltd	Cotton yarn	Banglore, Karnataka
27	Godrej Foods Ltd	Edible Oil	Bhopal, MP
28	JJ Spectrum Silk Ltd	Silk Fabrics Processed	Kolkata, India
29	Belapur Industries Ltd		Mumbai, Maharashtra
30	Champagne Indage Ltd	Alcoholic Breweries	Mumbai, Maharashtra
31	Delta Polysters Ltd	Cloth Processed	Mumbai, Maharashtra
32	Hitkari Fibres Ltd.	Textile Carpets	Mumbai, Maharashtra
33	Mihijam Vanaspati Ltd	Vanaspati	Dhanbad, Jharkhand
34	Modern Dairies Ltd	Ghee, Butter and Infant Milk	Karnal, Haryana
35	Ahlcon Parentals India Ltd	Pharmaceuticals	New Delhi
36	KMG Milk Food Ltd	Ghee	New Delhi
37	Rathi Graphic Technologies Ltd		New Delhi
38	Sheena Textiles Ltd	Terry Towelling & similar Woven Terry Fabrics	New Delhi
39	Pearl Engineering Polymers Ltd	polymers like pet chips	New Delhi/ Pune, Maharashtra

Source: Prowess CMIE

To decide as to which organizations to study, no further distinction was made on the basis of industry, region, extent of sickness or size of organization (although ensuring the fact that these Companies were listed on a stock exchange of India ensured a minimum size of the organization). Since the study was to be mainly based on interviews of either members of the Board of Directors or Top Management of the organization, their openness and agreement to spare time and share views were the prime criteria for including their case, for an in-depth study in this research work.

However, if, after collection of secondary data or initial interaction with a Company, it was found that:

1. the Company had just emerged from its initial gestation period and started making profits or
2. the management refused to share information

then the cases were rejected and not included in the research study. The list of these companies along with reasons for rejection are as given in Table 4.2:

Table 4.2: List of companies that turned around but were not studied

Company	Status	Reason for not studying
Torrent Gujarat Biotech Ltd	Rejected sample	When checked with them, it was found that the promoters had invested funds that made the networth positive. However, the management is still struggling to figure a way out of the difficult times. VA Shah, Director-in-Charge TGBL, says that price restrictions imposed by the Government of India and the inflow of Chinese materials at a much lower cost are impeding the recovery process. According to him, the Chinese products are a poor quality and hence cheap but owing to the price restrictions, Indian Companies are forced to sell a lower quality for they donot have the choice of increasing the price with the improved quality. The Company was therefore not accepted as a valid sample for the research study.

Company	Status	Reason for not studying
Recron Synthetics Ltd	Rejected sample	Their were conflicting views picked up from different members of the organization. RajaRam, the Reliance financial....., informed that the Company had turned around though due to inherent disadvantages such as locational disadvantage it will not be as profitable as the other units. MP Garg, the MD of Recron Synthetics on the other hand was a disillusioned lot who felt that owing to locational disadvantage and the state rules on power supply, Recron was a bleeding unit. This was supplemented by the fact that REcron's network has started eroding again. This implies that the turnaround was owing to the money pumped into the Company rather than a true management turnaround.
Pasari Spinning Mills Ltd	Rejected sample	PSML promoters brought in equity and paid up the debts of the company and brought the network to a positive figure. However, the Company is still struggling to find its way out. GS Gupta, Chairma PSML attributes the downfall to the textile industry that was rendered sick in 1995-96. He shares that during this period, the cotton prices soared and the exports declined. The margins were highly squeezed, less than 15% while the compounded finance cost was more than 40-50%. However, the management has not lost hope. At the moment they have paid up all the debt, employees salary and incentives are ensured and therefore the market and the employees are not hopeful too./ Since the Company is yet to enable a sustainable turnaround, the sample was rejected.
Godrej Foods Ltd	Rejected sample	The manufacturing business of Godrej Foods Ltd (GFL) was demerged in 2001 and its marketing, sales, finance and other related functions were merged into Godrej Industries Ltd (GIL). The face value of the share has reduced from Rs 10 to Re 1. With this a new foods division has been created in GIL, which will be headed by MP Pusalkar, who was earlier with GFL as executive Director. The division is taking care of the manufacturing, marketing, sales and distribution of the brands such as Jumpin & Xs fruit beverages, Cooklite and Godrej brand vegetable oils, vanaspati and bakery fats.

Company	Status	Reason for not studying
JJ Spectrum Silk Ltd	Rejected Sample	Since the Company was incorporated in 1994 its networth was negative in the initial years and turned positive in 1996. It therefore cannot be considered as a turnaround case study for this research.
Belapur Industries Ltd	Rejected sample	Close look at the financial results reveal that while the networth did turn positive in 1997, it started declining in 1999 again. From 1998 to 2005 it has eroded from 2.6 crore to 0.4 crore. The turnaround therefore has not been sustainable. The sample is rejected.
Champagne Indage Ltd	Rejected sample	It was their gestation period. Their networth became positive seven years after taking the plunge. It was thus not a turnaround case as defined in this research.
Delta Polysters Ltd	Rejected sample	It appears the Company has closed down or is delisted. The results have not been posted on BSE since April 1, 2003. No announcements/archives were available on BSE. No information on shareholding pattern was available.
Hitkari Fibres	Rejected sample	Aditya A Hitkari, MD Hitkari Fibres Ltd shares that the shareholders have merely brought in equity and but the Company is still not doing well. "China produces low quality goods cheaper products. The public in general is not able to appreciate the difference that quality brings in. So tough competition from Chinese products pushed the Company into red. We are still struggling to find our way. and hope to revive in an year or two.

Mihijam Vanaspati Ltd, Modern Dairies Ltd, Ahlcon Parentals India Ltd, KMG Milk Food Ltd, Rath Graphic Technologies Ltd, Sheena Textiles Ltd, Pearl Engineering Polymers Ltd, Pettavaittalai Sugars and Chemicals Ltd, Radico Khaitan Ltd., Associated Pigments Ltd., Empee Sugars and Chemicals Ltd, Gujarat Themis Bisyn Ltd, Elder Projects Ltd, Mangalore Chemicals and Fertilizers Ltd, Henkel India Ltd, Teesta Agro Industries Ltd., Uniroyal marine exports Ltd, Sheel International Ltd, Kongrar Integrated Fibres Ltd, Shaba Chemicals Ltd, India Polyfins Ltd, Sarita, Synthetics India Ltd	Reluctant to share Information
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The rest of the 9 companies that had been identified to study, were contacted and the first 9 Companies whose top management agreed to spare time and share views were selected for the purpose of study for this research work. The list of 9 companies selected thereof is given in the table 4.3 below:

Table 4.3: Companies identified for this study

S. No	Company	Industry	City
1	Amrit Banaspati Ltd.	Food & Beverages (Vanaspati)	Ghaziabad, UP
2	Howrah Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
3	Naihati Jute Mills Co. Ltd.	Textile (Jute)	Kolkata, W Bengal
4	Namburnadi Tea Co. Ltd.	Food & Beverages (Tea)	Kolkata, W Bengal
5	Vegetable Products Ltd.	Food & Beverages (Vanaspati)	Kolkata, W Bengal
6	Indian Polyfibres Ltd.	Textile	Lucknow, UP
7	Asia fab	Textile	Mumbai, Maharashtra
8	Tasty Bites	Food & Beverages (Packaged Food)	Pune, Maharashtra
9	Empee Sugars and Chemicals Ltd	Food (Sugar)	Nellore, Andhra Pradesh

Data Collection Protocol

Data Collection Protocol is recommended for qualitative research studies to ensure that any other researcher repeating the qualitative research study carried out is able to replicate it as best as possible. The following was thus recorded to detail the protocol adopted for this study.

Investigator Skills ensure that the investigator has key investigator skills, such as question asking, listening, adaptive ness and flexibility, grasp of issues being studied and lack of bias. The researcher consciously maintained these all along the data collection phase.

Protocol content

- a. Define purpose of case study and research questions
- b. Schedule for doing case studies
 - i. Preparation period
 - ii. Arrangement of site visit

- iii. Conduct of site visit
 - iv. Follow-up activities (sample thank-you email etc.)
 - v. Preparation of case study report
 - vi. Connect again with the respondent to fill gaps, if any
- c. Review of case study protocol
 - i. Discussion of relevant theoretical frameworks and literature
 - ii. Development or review of hypothetical logic model
 - iii. In-depth discussion of protocol topics (discuss importance of topic and possible types of evidence to be collected in relation to each topic)
- d. Outline of case study report (have a draft outline, showing the major potential headings for the report)
- e. Conduct interviews, collect information, write case studies and fill gaps for each organization studied.

Research tools: The research tools employed were:

Personal Interviews

Indicative Guide: An *indicative guide* to quickly record responses to the questions of ‘who, which, how many’ types of questions during the interview was considered appropriate as each of these questions had to be followed by questions for further probing to get descriptive narrations of experiences of the members of the management. Open ended questions to solicit information on purpose, style and channels of communication employed for each stakeholder, were developed. The responses had to be collected from the top management being interviewed. It is appended as Appendix 4.1

Secondary sources of information: Events being discussed were either contemporary (for turnarounds that happened after 2000) or from the recent past. Archival and historical facts, were collected to the extent possible, to support developing descriptive case studies built primarily through information gathered by interviewing the key people that enabled turnarounds.

It was thus decided to build historical facts to whatever extent possible from secondary information, to conduct interviews as the most substantive part of building the case study and to collect factual information with the help of an indicative questionnaire/ guide and any relevant artifacts or secondary information from the primary source. For analysis of the factual information collected, the option of quantitative analysis (non-parametric) was kept open.

For each organization, some initial insights into the reasons of sickness, background of industry, turnaround process, financial results etc were collected from secondary data available from external sources. External secondary data sources were in the form of journal articles, web pages, books, newspaper reports and investor reviews. Once this process was complete, the emphasis shifted to collection of primary data and also secondary data from internal sources.

Collection of Data: during the period, October-December 2005, primary data was collected through semi-structured interviews with either members of the board of Directors and/or top management who were involved in the turnaround process.

Special attention was paid to the content and feelings of the experiences shared. To make sure that minimal and if possible no bias appeared in the information collected and that the entire context of what was shared was captured, all the interviews were conducted personally. The researcher visited the premises of most of the Companies to get a better understanding of the context. These Companies were spread across the country and hence collection of primary data involved traveling to Delhi, Ghaziabad, Mumbai, Pune and Kolkata. for all the interviews conducted, complete notes were made and audio recording of interviews was also done to ensure that no information was missed out.

This data was further supplemented by secondary data collected from internal sources. This secondary data was in the form of annual reports, minutes of the meeting, presentations etc. The availability of the same was dependant on the companies' willingness to share such information. As themes emerged and relationships got established, discussions via telephone and email were used to fill in remaining gaps in the data and to explore contradictory or disconfirming evidence.

Assessment of Quality of Research

Reliability and validity are measurements of objectivity, which is a central research issue in quantitative research. In qualitative research, however, subjectivity is a more salient feature.

Ensuring Reliability: Objectivity and neutrality are almost impossible to achieve. However, to improve reliability, 'audit trail' (as given in Section II above) also called 'decision trail' has been developed. According to Daymon and Holloway (2002), an audit trail allows other researchers to follow the same process as followed in a given study; it helps readers understand the decisions made; indicates the quality of the study; and presents a means of evaluating the entire study.

Ensuring Validity: The most contentious concerns voiced against validity of Qualitative research are issues of internal validity, generalizability or external validity and relevance or construct validity.

To ensure validity of the study, the following measures (as given in Table 4.4) suggested by literature will be adopted during the course of the study:

Table 4.4: Tactics adopted to ensure validity of the Qualitative Research

Measure	Case Study Tactic adopted, as far as possible	Phase of research in which tactic was employed
Construct validity	<ul style="list-style-type: none"> • Multiple sources of evidence employed • Chain of evidence established 	<ul style="list-style-type: none"> • Data collection • Data collection
Internal Validity	<ul style="list-style-type: none"> • Pattern matching done • Explanation building done • Rival explanations addressed • Logic models used 	<ul style="list-style-type: none"> • Data analysis • Data analysis • Data analysis • Data analysis
External Validity	<ul style="list-style-type: none"> • Replication logic used 	<ul style="list-style-type: none"> • Research Design
Reliability	<ul style="list-style-type: none"> • Case Study Protocol/ Audit Trail used • Case Study Database prepared 	<ul style="list-style-type: none"> • Data Collection • Data Collection

Source: Adaped for this work from Yin, R.K (2003). *Case Study Research: Design and Methods*, p34, 3rd ed., New Delhi: Sage Publications, Applied Social Research Method Series

While all measures suggested in literature to ensure the reliability and validity of the case studies were observed, the outcome of the research work was presented as ***purposive and not prescriptive***. The findings and conclusions were proposed for further investigations by other researchers to establish ***generalizability***.

An alternative perspective to judging qualitative research is to judge the ***authenticity and trustworthiness***. This paradigm relies on the interpretive view of reality rather than the realist view held by quantitative researchers. This view recommends careful attention to ensure ***credibility, transferability, dependability and confirmability*** (Daymon & Holloway, 2002). Strategies for ensuring these parameters such as ***peer debriefing, demonstration of an audit trail, data and methodological triangulation, thick description and reflexivity*** (see limitations of research study) were candidly adopted to ensure a high quality qualitative research work.

Observations and Analysis

Case Studies

Case 1

TASTY BITE EATABLES LTD (TBEL)

Deciphering Communication during Turnaround

Background

Tasty Bite Eatables Ltd (TBEL) was incorporated in 1986, as wholly owned subsidiary of Grand Foods. It set up a state-of-the-art Ready to Serve (RTS)² food and frozen vegetables production facility in India in 1988-89. When its unsuccessful attempt to sell in the Indian markets failed it switched focus to markets in the Middle East, Russia and the US. However, the sales failed to pick up.

In 1992, Pepsi, owing to its export obligation (due to a Government of India (GoI) regulation for foreign multinationals), collaborated with TBEL for exports of TBEL products. At this time Preferred Brands International (PBI), a US based natural food marketing and distribution Company was given the charge of marketing TBEL products internationally. TBEL committed resources to the joint efforts. However, in 1994 the reforms in Government of India regulations released Pepsi of its export obligations. Pepsi thus decided to stay with its core business and thus exited the collaboration with TBEL (Subhadra, 2003).

In 1995, PBI was given exclusive brand rights in key global markets and Tasty Bite products were launched in the US. In 1996, (HLL) Hindustan Lever Ltd. acquired Grand Foods and TBEL thus entered the umbrella of HLL group. But by this time, TBEL had accumulated losses to the tune of Indian Rupee (INR) 112 mn. It was declared a sick unit and referred to BIFR³.

² The RTS food market can be categorized into ready-to-eat foods, mixes and powders, salted snacks and sweets

³ Board of Industrial and Financial Restructuring constituted to assist Companies that come under the purview of Government of India Sick Industrial Companies Act (SICA) 1985

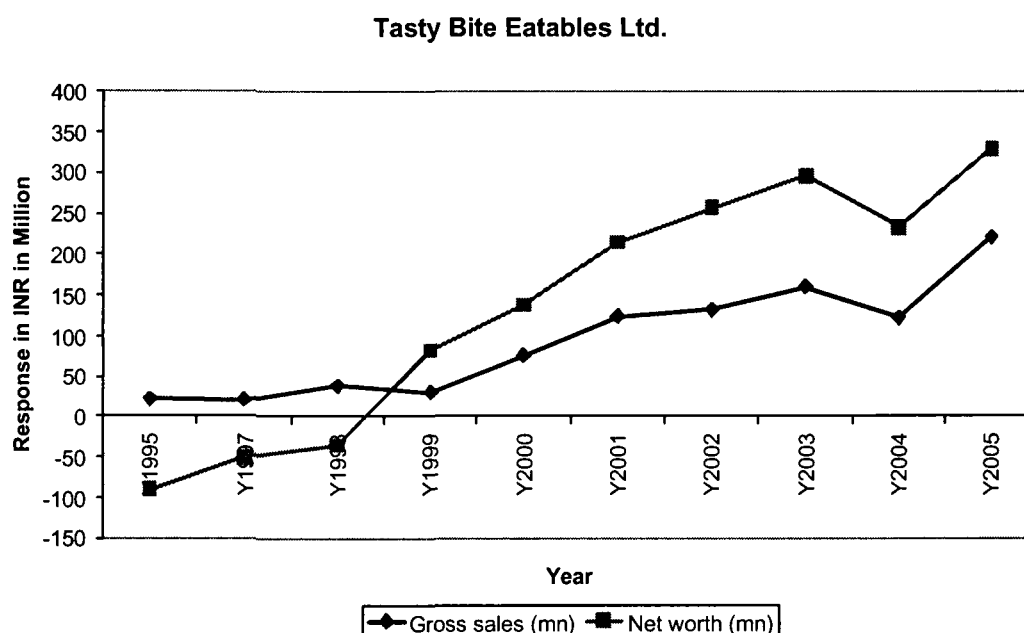
In 1999 TBEL registered profit for the first time in 13 years. Its network in 1999 increased to INR 52 mn and by 2002 had reached INR 124 mn. (source: Prowess

CMIE)⁴. (See Figure 5.1.1: Network from 1987 to 2005). BIFR de-registered TBEL in 1999 – first time for a food company in the history of India (TBEL Annual Communication Meeting Presentation, April 19, 2002).

Table 5.1.1: TBEL performance during 1995-2005; turnaround in 1999

<i>Tasty Bite Eatables Ltd.</i>										
	1995	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross sales (in INR mn)	22	21	39	31	76	124	133	161	123	222
Net worth (in INR mn)	-112	-71	-74	52	62	91	124	135	111	108

Chart 5.1.1: Performance of TBEL during 1995-2005; turnaround in 1999



⁴ Centre for Monitoring Indian Economy Pvt. Ltd., Mumbai

Unraveling the turnaround (from 1996 to 2002)

New management takes charge: In 1997, HLL converted its INR 120 n unsecured loans to preference capital at a premium of INR 19.50 per share (Subhadra, 2003). However, HLL had decided against venturing into frozen foods business. Therefore, other than representation on the Board, HLL withdrew from all activity. Ashok Vasudevan and Kartik Kilachand of PBI who had been responsible for marketing the TBEL products in the foreign markets along with three more members took charge as Members of the Board of Directors of TBEL with Ashok Vasudevan as the Chairman BoDs. Ravi Nigam, who until then was working with Britannia Industries Ltd., was appointed as Chief Executive Officer of TBEL and he became the sixth member of the BoDs of TBEL.

“We met to ask each other as to whether we were ready to work for INR 30 mn company or were we ready to take on the task of a major turnaround to make the exercise worth the effort of quitting the MNCs we all were working with earlier. It was clear to us that we were looking at much more than a simple financial turnaround (Ravi Nigam, Chief Executive Officer, TBEL, personal communication, October 20, 2005)”. So, the group embarked on the project of management turnaround to make the financial turnaround sustainable.

The management then set before itself the task of identifying and understanding issues and developing an overall strategy to improve the Company’s performance.

Internal Issues: The factory was located at Bandgaon village close to Pune, a city around 200 km from Mumbai⁵, where the TBEL corporate office was located. The *communication infrastructure connecting the office to the factory was inadequate*. “The factory telephone lines were perpetually non-working and the closest STD booth was 3 km away. When Nigam and the corporate office staff started to spend 3 to 4 days in the factory they realized that the factory needed managerial intervention day-to-day, to resolve issues that only the management could address.

The foremost issue glaring at them was a basic humanitarian cause for which “we were not prepared. 70% of the work force did not earn minimum wages as stipulated by the Government of India. The regulatory norms were not followed. Salaries were paid fifteen to twenty days late. Statutory dues such as PF were delayed for months together. Year after year increment was pathetic and it was evident that no reflection

⁵ Commercial capital of India situated in Western part of the country.

was given to basic cost of living (R. Nigam, personal communication, October 20, 2005)”).

A 26 acres farm contiguous to the factory was a virtual dumping ground. There were thousands of babool⁶ trees in the swamp that had got collected in the farm. The overflow was creating a swamp of its own. The issues staring in their face were therefore such as how to treat the effluent rather (or more) than how to sell Tasty Bite products. “But these simple things indicated that no one was interested in the factory or its workers. Not even the workers themselves (Nigam, personal communication, October 20, 2005)”).

However, workers themselves had to be handled carefully. “For instance, three managers including the factory manager were the cynical power centres. They propagated dogmatic views such as ‘the management only talks and does not support the workers; attribute non-performance to non-availability of resources etc’. But they enjoyed huge support from the workforce. Since there was little work to occupy the workers, they all criticized together. In the process they had formed regional lobbies (Maharashtrian⁷ and North Indian) and some kind of politics between them to keep them occupied. There was thus a need to *motivate the workers and develop team spirit* in the organization. Besides, the company was not run professionally. for instance, there was a need to *create a management structure and introduce some layers*. This had to be done carefully – keeping the team together and carefully avoiding bureaucracy (Nigam, personal communication, October 20, 2005)”).

“PBI being an American Company, the workers were apprehending a hire and fire policy and hence the trust was also low (Kartik Kilachand, personal communication, Oct 20, 2005)”).

On the other hand, the management was perturbed by the prevailing value system. “In India a lot of things can’t get done unless you grease the palms⁸. Ten years back, corruption due to red tape was rampant and the situation was worse than what it is today. Technology depth and quality concepts of the employees were other concerns. “TBEL needed brighter people who could create a vision for technology (Nigam, personal communication, October 20, 2005)”).

The understanding of the term ‘quality’ was very different in India from that in the US. In India quality implied making the food microbiologically safe. This implied

⁶ A plant that grows in swap

⁷ People who belong to the Maharashtra state of India

⁸ colloquial term used to express the act of paying a bribe to get work done

that all research was focused towards how to best preserve the food so that it could be packaged. The concept was to devise methods to kill pathogens. “This was a nationwide phenomenon for even in the research labs of agriculture universities all researches were directed towards such goals”. In the US however, quality also implied issues pertaining to the look, feel and taste of the food. Similarly, the term ‘standardization’ had a different meaning for the two parts of the world. “There were plenty of complaints in the past but some of those were dramatic in nature”. See exhibit TBEL 1. *Semantics* was therefore a major issue that TBEL management had discovered. Since, TBEL products were sold in the US and manufactured in India this was a major gap demanding attention.

To carry out the daunting tasks, TBEL needed professional managers who would believe in the new management and its targets. “This meant that we immediately needed to *recruit good people*”. Considering that the Company was sick for almost 11 years; had just recovered by financial infusion; was neither a big brand nor capable of offering a ‘handsome’ salary package, recruitment too was an issue. TBEL decided to select middle managers from large Companies and offer them senior positions along with hand holding to join the TBEL turnaround team. “*I must have personally interviewed 200 people over an year before I found a fit in Parth Hor who left Mercedes Benz to join TBEL. Similarly, we picked up the quality chief from HLL.*”

External Issues: The external communication issues addressed at TBEL were:

Customer related issues: TBEL realized the Indian retailers in the US were not showcasing TBEL products in their shelves. Entering US retail chains required considerable amount of money. Payments for placing a product in just one store of a chain in US ranged between US \$ 5000 and US \$ 10,000. Even with a narrower base of natural food store chains, it was difficult for PBI to pay \$10,000 to each of the 200 stores. (Subhadra, 2003). Analysts were claiming that the domestic market was not ready and the past experience supported the view. TBEL had to look for viable options to penetrate the US market and reach the consumer.

Banking Issues: When the new management took over, TBEL was a INR 3 mn Company with huge losses and a zero working capital limit⁹. It needed money. “But the Banks were themselves going through a tough time. Post liberalization, the Banks

⁹ Presentation made by Nigam on April 19, 2002

were made accountable for NPAs¹⁰ and therefore not many of them were ready to take risks”¹¹.

Supplier Related Issues: TBEL had to pay dues to almost every supplier and the total sum was due to the tune of INR 10 mn. “This was a fairly serious problem and the management had to build financial credibility to avoid litigation”¹².

On the other hand, the new management had issues with the supply mechanism at TBEL. TBEL sourced vegetables from Mumbai on account of lower prices. This was spelt out as the major function that corporate office carried out at Mumbai. The new management refuted this argument and insisted on looking for Suppliers who would supply in Pune at similar prices. TBEL was thus faced with the task of identifying and retaining Suppliers. Besides, in order to meet the quality standards, TBEL had to ensure that the Suppliers supplying raw materials (such as pulses, cardamoms, spices etc.) follow appropriate cleaning and processing norms. Thus, there was need to create awareness at the supplier end as well.

The Turnaround Journey

Internal Communications at TBEL

A core value that the top management decided to adorn and resolved to ensure in TBEL was ‘to be honest and transparent. *Live what you say and people will understand and follow.* Infact they will contribute to further propel the cause’¹³

The second objective the management set for itself was to work closely with workers at the factory, enable *extensive interaction* with them to understand the problems and help them resolve these.

The first meeting: CEO shares the Vision: Ravi Nigam was introduced by Ashok Vasudevan in a meeting at the factory, attended by approximately 120 workers. Nigam shared with the workers, the vision of the management, the market potential of TBEL products, the need to look at the international markets and the responsibility of the workers in the process. He mentioned how they could respectfully earn the wages that the government thought they could earn.

¹⁰ Non Performing Assets

¹¹ Interview with Sohail Shikari, CFO TBEL on Oct 20, 2005

¹² Nigam interview on Oct 20, 2005

¹³ Interview with Kartik Kilachand, Director TBEL on Oct 20, 2005. Interview with Nigam on Oct 20, 2005

During this meeting, the workers shared their apprehensions about the future of TBEL. “Statements such as ‘We are here because we lay the foundation stone of the Company ‘revealed to us a rare level of commitment among the workers. We continue to work with the same workforce’¹⁴”.

The first announcement: announcing grievance redressal to unions:

After the first meeting, the directors met in the evening to consider options, an important one being how to pay the worker dues and stipulated wages especially at a time when the Company was in red? An annual calendar, defining how over a period of one year TBEL would repay all the worker’s dues and also ensure dispersal of wages rightfully deserved, was worked out. *The new management therefore made the first announcement:* “that there would be no salary cut; that over a period of one year all efforts would be made to raise the wages, of all the workers, to minimum wages level; that all accounting delays will be put into speedy action”. Thus, the new team in place ensured job security for all. “This instilled confidence in workers and also curtailed the hostile view that the workers held towards the new management”.

In return however, they asked the workers to commit that in years 1997-1999, they would ensure that production is not stalled for even one day. “This was to make them realize that the management could pay only if the Company made money”.

This announcement was shared by the management with the union leaders and some senior workers (a group of about 10 people) who then communicated the message to the workers. “We could do this because we had noticed that the union was not a hostile union. It was not troublesome and there had been instances in the past when they had voiced their concerns by wearing black bands etc. They could thus be trusted”.

The second announcement: Enhancing day-to-day interaction: TBEL management tried to manage the factory located at Khutbao and Bandgaon villages near Pune, from the Corporate office in Mumbai ‘We were spending, 16 hours a day, 3 to 4 days a week, at the factory for almost four months but the factory needed more time and attention. *Face to face interaction on a day-to-day basis was absolutely necessary.* Simple things like understanding their needs (they need a water cooler or if a particular change could be made they could work better) could be addressed only by being there physically. In fact we wondered that if the market was in the US and the factory in Pune then what role were we playing in Mumbai?”

¹⁴ Interview with nigam, Oct 20, 2005

Nigam decided that managing the factory from Mumbai was not feasible and that they must shift the Corporate office closer to the factory, in Pune. *This was the second major announcement.*

Shifting from Mumbai to Pune was not an easy decision to implement. There was a major resistance from the staff. Company issues such as sourcing vegetables, spices and other raw material, well developed banking relations and issues such as Mumbai being a port facilitates shipping of goods to US were some of the reasons forwarded for not shifting from Mumbai. Personal problems such as issues in changing children's school, living in Mumbai for ages, attachment to parental home etc were voiced. But TBEL management refused to accept any such reasons.

During that period, Nigam called on Feroz Bander (a very pragmatic man according to Nigam), a Director in HLL to help him deal with the issues. *Both Nigam and Bander took several counseling sessions with the staff and their families – they visited their homes, talked to them and tried to convince them of the need to shift.*

They restructured their salary package to accommodate the shifting; *spoke to the Principals of the best schools in Pune* “and thankfully the Principals also agreed to pitch in by agreeing to accommodate the children of TBEL staff”.

From a total of eighteen that staffed the Mumbai office, three had genuine problems and TBEL helped them relocate. Others were given a choice to move with TBEL to Pune or to quit. Five of them moved, some of them offered to commute up and down daily but that was not acceptable to TBEL. So they and the rest decided to stay on in Mumbai and look for other avenues.

The management once again organized itself to take stock of the situation. They worked very closely with the workers to resolve day-to-day issues. There were several occasions, especially concerning *social issues, that called for extensive communication*. There had to be continuous interaction and a lot of talking to get the message across. “We worked 9 to 5 in the factory and 5 to 9 around the beer bar. Ravi did a wonderful job. Ashok Vasudevan and myself, both were personally involved in the process. The need was to drive the values into the moral fabric of the Company¹⁵”

The third announcement: Sending a message on values to be imbibed:

Typically a Company requires several kinds of licenses for different purposes. TBEL also needed boiler inspection every year. Early in the turnaround process “I got a message from the factory that the inspector's hands need to be greased to get the

¹⁵ Interview with Kartik Kilachand on Oct 20, 2005

inspection certificate. I realized that TBEL had to either go through the rigmarole of tedious tasks (more of harassment than inspection) listed for getting the certification or adopt the easy way out by bribing the inspector. After confirming from my people that the boiler was OK, I insisted that TBEL would neither pay any money nor go to the court. It would rather wait for the other side to file a case, if they so desire. TBEL, it was decided, will also not stop production. Rather it would arrange to get a certification of the boiler from an independent agency and if need be, ask the other party to verify the procedures in the court. There was immense pressure from all quarters but I would not budge. A few days later the inspector came in like a mouse and issued the certification. From that day onwards I did not have to bother for any kind of certification. The workers managed on their own. I believe that incidents like this, go deep into the organizational memory and play a crucial role in developing core values that a company imbibes”.

“TBEL believes that posters work well when the technical procedures have to be followed or quality processes have to be propagated. Vision and Mission are to be imbibed and that happens through extensive interaction, sharing and demonstration. We therefore depended on dialogue and discussion to have a complete buy-in and looked for opportunities to demonstrate what we said. This keeps the message alive for longer duration as it goes deep down in the thought process”.

Bringing about social change: Talking, explaining and listening over and over again and not through a dictat: One of the crucial interventions required at TBEL was implementation of behavioural norms and cultural changes to offer quality standards. America, its core market, is a litigious society and maintaining high standard of cleanliness was a must.

In Maharashtra, women wear big bindis on the forehead, flowers in the hair, glass bangles on the wrist and a Mungal Sutra around the neck¹⁶. These are artifacts they wear from both religious and beauty point of view. The Bindi and the Mungal Sutra, according to the local culture were signs of good marital relations and families and religion demand that these be adorned regularly all the time.

“In a RTS factory these could lead to major problems. Even if one in a million bindi falls off the forehead into the food and the American consumer finds it floating in the

¹⁶ *Bindi* is a decorative sticker worn by traditional women in India. *Mungal sutra* is a chain with black beads that a man gifts to his wife at the wedding. The wife is expected to wear it all the time till the husband is alive. Removing the *mungal sutra* is considered inauspicious.

ready to serve meal, the Company is surely heading for payment of major claims. So, these had to be done away with and this was asking for a real social change¹⁷“.

“The only way out was to talk to workers, in groups, over and over again. Make them see the management’s point and how it could impact the work and the factory. There was a huge cry amongst the women who said that their mother-in-laws would throw them out and that these were ‘suhag-artifacts’¹⁸ that they can’t even dream of taking off. It took three to four months of patient talking and listening to workers. One fine day when I walked into the factory, I felt there was something different. I couldn’t spot it initially but it troubled me. I looked around carefully and I was wonderstruck – all women had removed the big round bindi. This was a big social change. Interestingly, the men accepted the logic earlier than the women and they persuaded the women to give-in. There used to be several informal meets amongst the workers where they discussed the pros and cons of the management suggestions’¹⁹“.

Transparency for empowerment and decision making: TBEL adopted a Model of Accountability which they called: **D** – Decide; **A** – Act; **R** – Review; **E** – Enhance (DARE). “According to this system, *employees had a right to know what was expected of them. Then they were empowered to take a decision and act. It was repeatedly drilled that never should an action be pending for want of decision. It was alright to take a wrong decision and act - we never penalized them for a wrong decision (unless it was a grave issue violating values and principles adopted by the Company). This was because the action was to be followed by review and enhancement. So the employees learnt over a period of time.*”

Create Internal Image: India’s most respected Company A concerted effort was made to identify what TBEL stood for. The management and the employees met several times to ask themselves: “Can we be India’s most profitable Company? Or Can we be India’s largest Company? And several such options but the answer was a clear NO. Finally we decided that we would like to be **India’s most respected Company** (TBEL Vision Statement)”. *Actualizing this meant that TBEL developed an internal and external reputation.*

Develop Internal Reputation: In 1999, TBEL hired Image Equity as their communication consultant, and developed and implemented several programmes to

¹⁷ Interview with Juhi Raikhy on Oct 20, 2005. She had spent hours together talking to the women in the factory during that period.

¹⁸ Suhag artifacts are artifacts that indicate that a women is married. A tradition held very strongly by women in India following the Hindu religion

¹⁹ ibid 17

build a corporate culture. “AVis (A Visvanathan) played a very important role in dissemination of mission statement in the organization. There was a time when everyone, even at the shopfloor, was talking about it”²⁰.

Fun at Work Programmes: Under this programme, every month a group of people devised a mission for themselves. They worked out a mission statement, chalked out the method of achieving it, set deadlines for targets and then worked towards it.

“Once a group took up the ‘Are you a Bonzer project’. On another occasion, a group took the task of making presentations in leading B-Schools like Jamna Lal Bajaj, turnaround Pai Institute of Management and the likes to recruit from these institutes and also to share with them the true picture of where TBEL was headed”²¹.

Yet another exemplary task taken by a group was ‘to make the affluent treatment plant, the disgusting part of the workplace, into the most beautiful part of the factory’. They set a budget, set the deadlines and developed a course of action. The senior managers coached them in the process and also provided all support needed to achieve the same. Many managers would go from the office and spend time digging the stuff with them, if need be. The entire company could see the management commitment behind the actions. Today, TBEL grows vegetables on that land and the entire community is proud of the achievement”.

Several other initiatives such as: Reduce Power usage, improve electro conductivity or PH level of the soil and many such programmes were taken up by the community.

Once a task was complete, *TBEL made it a point to celebrate the achievements and acknowledge the contributions of the workers.* “This was a very important part. After some time it became contagious and people were very enthusiastic about the entire process”.

In 1999, *TBEL began celebrating, TBEL Annual Day.* On this occasion, families of all the employees are invited and several activities such as drawing competition for children, games like tug of war, cycling, limited over cricket match are organized. The accompanying interesting commentary makes the event more colourful and interesting. This is followed by an award ceremony and a message from the Board wherein TBEL management posts them with developments in markets, quality standards and other developments.

²⁰ Nigam interview on April 5, 2006

²¹ *ibid* 20

Training was made an ongoing process. “There are 700 man-days of training done every year which works out to be roughly 6 days training for each employee”. These programmes are both: skills based and attitudinal or team building kind of programmes. The latter are meant to weave a moral fabric for the company. *These programmes are highly interactive.* Many of them are designed and conducted internally though TBEL maintains a list of consultants for quality programmes.

To enable team building and motivation among workers and employees, TBEL along with Image Equity organized regular Management Leadership Programmes (MLPs).

Team exercises led by the consultant were organized to decide as to what attributes would connote that TBEL was India's most respected Company? And finally, the groups identified several milestones that would connote that TBEL was moving in the right direction. Some of these were as follows:

- ICAI²² awards ‘Best Balance sheet presentation in India’ award every year. TBEL decided that if they can bag this prize they are a respected Company
- For retailing they identified the five most coveted retailing chains in the world. They decided that if they can get these chains to sell TBEL products they are a respected Company
- For recruitment: If they could recruit from one or more of students from the best B-schools or Best Technical institutes in the country then they are a respected Company

Similarly, they defined milestones for each activity to indicate what it requires to be the most respected company in the country.

Then they identified what all attributes should the company have. for instance: speed, integrity, systems ... and against each attribute they put a Company name to connote the benchmark (*see Annexure 2: Benchmarks at TBEL*). *These, according to Nigam and Kilachand were extremely successful programmes that built motivation and team spirit and also greatly enhanced the internal image of the Company.*

Investing in communication technology for future returns: In 1999 TBEL made its single largest capital investment – this was the implementation of Move-Ex ERP software. “It costed Rs 4.5 mn which was very big money for TBEL especially during that period when our turnover was INR 60 million, but we wanted to do

²² ICAI is Institute of Chartered Accountants of India

everything world class²³“. TBEL requirement was not so crucial but this was an investment for future.

However, “it was an arduous task to have the workers adopt the ERP system. Many workers in the company had never seen a computer in their lifetime. The system required changes at the very basic level. It required the data entry operators to make timely and correct entries. The data flows in a chain and there is an inbuilt rigour in the system that demanded a cultural change. Now there were no excuses for not having done a particular task for want of information. This system thus turned out to be a huge driver of accountability in the system”.

“It took TBEL almost 18 months to fully implement the system but the work culture transformed. People worked overtime as benchmarks became stretch marks. Today (in 2006), *ERP at TBEL is multi-locational and integrated system in the office and factory at India, Australia and the US are all online*. Though, Nigam does accept that the regular data feeding task at the ground level is still an ominous task and requires weekly and monthly interventions to take care of the backlogs²⁴.

There are hotlines that connect the factory and the office. In the factory there are 6 nodes that connect the office through dedicated lines. Video conferencing is yet to be enabled. TBEL management does not monitor the emails that move in and out of the organization, “though the more I think about it the more I feel the need for it”. Mobile phones have increased the speed of communication but within the factory premises the usage is not permitted for issues pertaining to quality as distraction during production hours can be very harmful.

95% of Tastybite business comes from Indians abroad. Tasybite.com earns 8 to 10% of the business in US and Canada. The Indian techies²⁵ buy off the site. *TBEL management accepts that they have not yet fully exploited the potential that internet offers.*

Empowerment Pays: a feedback: When TBEL CEO suggested that TBEL *office be given a facelift*, some of the managers came back and advised against it asking him to be thrifty. This Nigam feels is an indicator of responsibility that comes through empowerment.

Yet another behaviour that Nigam considers a *positive feedback* is the worker behaviour during times of dissonance. “There were times when issues such as salary

²³ Interview with Kilachand on Oct 20, 2005

²⁴ Interview with Nigam on April 5, 2006

²⁵ techies

etc. did crop up. But there has never been a violent scene except once during the initial phase. Normally, the *union wore black badges and workers went slow. Thereafter, the factory manager led the negotiations and resolved the issues.*

External Communication Strategy

TBEL wanted to see itself as India's leading food brand in the US in a span of two to three years. They decided that although they were an Indian Company, they would not restrict themselves to Indian food or Indian markets. Their approach and reach had to be global. But what they needed was money to carry out their plans.

Arranging Finance: A major Communication effort "Sourcing funds was a tough task. Ashok, Meera and Kartik were extensively involved in *exercising their networks, talking all day and every day to BIFR, HLL and financial institutions and preparing documents to get some waivers from the banks owing to BIFR registration and to get the company deregistered from BIFR.*

Arranging loans thereafter was yet another critical activity. Shikari and Hans under the guidance of Vasudevan and Kilachand *met almost any banker who was ready to give them an ear. They made presentations, repeating time and again that they were betting on the future and not on the past.* They asked the Bankers to evaluate their plans and if found promising, have faith on TBEL team and give them a chance.

Finally, they met a senior official in ICICI *who could see promise in what TBEL team was talking and then they met various people in the bank to make their case.* In 1999, TBEL got a debt funding of INR 35 million. ICICI continues to be our Banker". What both Shikari and Nigam emphasize is that it is important not to loose hope and to continue in the face of all odds that any sick company is bound to face. Loans require high credibility and assured performance and it is for the turnaround team to make the Banks see that character and strength in them.

Speaking the language of the Consumer: Since the Indian retailers in US were not displaying TBEL products to give them the differentiation they sought from commodity products, TBEL decided to sell its products through the US retail chains. However, this segment was both expensive and *brand conscious.* TBEL therefore undertook a cluster analysis study in various US cities to narrow their focus on smaller number of chains.

To enter these chains, TBEL got both the product and *its communications redesigned to suit the US customer.* It realized that the average American customer was unable to

appreciate the products being offered and *the names in Indian language did not make much sense. The products were thus renamed in English for instant identification and easy understanding. Thus, 'Palak Paneer' became 'Kashmir Spinach', 'Navratna Korma' became 'Jaipur Vegetables', and 'Alu Chole' became 'Bombay Potatoes' and so on.*

It was important that the *package designs were such that the display was 'eye-catching and attractive'. TBEL got the packaging redesigned and its logo improved upon by Charlie Buendo²⁶ such that the logo was clearly visible and its location was fixed. To make the communications consistent for better brand recognition, the design of the pack was made uniform for all the ten countries where RTS meals were sold.*

Suppliers Relations: To start with, “we had to pay dues to almost every supplier. We therefore *talked to each of the suppliers individually and committed* that we would pay the current bills and also a part of the previous dues with every bill cleared, over a period of one year. We confirmed that we would clear all the dues in one year and were able to do that *without any litigations*, within the stipulated time”.

To ensure that quality of purchase met HACCP (Hazard Analysis and Critical Control Point) requirements, TBEL *continuously educated the suppliers, to help* them develop the quality they were looking at. A quality manager appointed to manage the supply-chain regularly *visited the supplier sites to give talks and develop formats for them to fill*. The quality manager therefore *coordinated* to ensure that the systems that the suppliers followed were similar to those followed by TBEL. “As a result, for about an year and half now, we have stopped dealing with brokers and source from one or two sole suppliers”.

“We believed in building relationships and valued loyalty and *transparency. Thus, we informed them of what we were looking at in the future and they in turn* went the extra mile to partner with us” Kilachand preferred to classify suppliers as internal stakeholders rather than external stakeholders²⁷.

Media: “In August 1999, the script of TBEL reached around INR 148. This was a 42.2% increase over its price of INR 3.50 in 1996”. Interestingly, till 1998 the Company was still making losses (See Chart 5.1.1). *Nigam attributes the rise in share price to the sudden boom in the Bombay Stock Exchange and the heavy media reporting of the same.*

²⁶ Charlie Buendo, a designer

²⁷ Interview with Kilachand on Oct 20, 2005

“Since India was not a focus market, we interacted with media only for a short while – when the share market brought us into limelight”.

Social Groups: As it happens in all countries, there are social interest groups that are guardians of society. “Our *interaction with social groups was minimal except for its interactions with one group*. This was a well informed group that professed the communist agenda and always kept the workers informed of industry practices and other developments. Initially this group was much against liberalization and saw an American Company, a projection of capitalism and its ills.

However, *we talked to them and remained absolutely transparent*. We asked them to check for themselves the improvement in the wages, living conditions, employment status etc. and urged them to assess how TBEL was achieving less than any other communist agenda”. Ravi feels that these groups can be receptive and that transparency is the key approach. “If they can see your point they are with you”.

Finally, the TBEL leadership believed that “a small Company is more creative, quick and *fast in communication*, and thereby more nimble. It felt that it was therefore as important to retain these characteristics of a small Company as to imbibe a professional approach and scale of operation of an MNC.

Analysis

The case of the turnaround of TBEL supports the first stage of the theoretical framework proposed in Figure 3.1 of this study. When TBEL realized that the market in India was not ready for RTS food it decided to sell its products abroad. It attempted to further the exports by collaborating with beverage multinational Pepsi Co. but the change in government regulation impacted the latter’s interest and Pepsi Co. backed out from the joint initiative which was a setback for TBEL. These developments indicate that both TBEL and the managerial decision making in TBEL were impacted by the external environment.

Considering that in the same environment, the new management was able to revive the Company later, we may conclude that in case of TBEL, the managerial decision making caused the company’s decline. The faulty managerial decisions could be because of inadequate information or incapable managerial decision making. for instance TBEL launched RTS food assuming that the Indian market was ready for the product. Later it realized that the market was not ready for the product.

It then launched the products abroad without understanding the impact of cultural variations. Thus, we may conclude that both environment and managerial decisions at

TBEL adversely affected TBEL and the company became sick. The case thus supports Figure 3.1.

The TBEL case also supports the second stage of the framework as it illustrates how disabling forces emanating from both internal and external environment come into play when a Company is sick. In case of TBEL, the workers despite their commitment to the organization were de-motivated and casual in their approach. Political forces were active among the groups of workers and there were apprehensions about the capabilities and intentions of the new management. Workers had a laid back approach that was evident from the working conditions, quality consciousness or acceptance of red tape mechanisms.

Bankers were not inclined to trust the capabilities of the sick company, customers (the Indian retailer in the US) did not give any cognizance to its presence, suppliers were on the verge of filing suits for non-payment of dues and social activists were questioning the sanctity of motives. Thus, disabling forces were playing from all directions which is in consonance with second stage of the theoretical framework proposed.

The TBEL case also supports the third stage of the framework which proposes that the promoter/top management has to consciously take charge of the turnaround and work its way through with various stakeholders keeping the overall strategy in view. Nigam categorically mentioned the event when the TBEL management team met to decide whether they were ready to take the formidable challenge of enabling a sustainable turnaround at TBEL.

Thereafter, the new management prepared, documented and adopted a 4-C turnaround strategy. This strategy was prepared by the top management which also happened to be the Board of Directors in case of TBEL. *The management did think it worth the time and effort to document the turnaround strategy.* It appears therefore that documentation of turnaround plan was to confirm collective support for future action.

The CEO along with the Chairperson of the Board of Directors shared the vision of the company with all the workers, in the very first meeting. They also used the opportunity to listen to the workers to gauge their levels of commitment, motivation, worries and apprehensions.

The first issue that the new management addressed was the worries of the workers with regard to payment of their salaries and other dues. This also helped them build their credibility and some confidence into the workers. However, it is important to

note that the new management committed payment and in return demanded commitment to work to be able to make profits insisting that then and only then they will be able to make the payments. The case thus supports the proposition that the turnaround management must listen, care, exercise communication control and indicate urgency in its communications.

The case emphasizes the importance of intensive day-to-day interactions between the turnaround management and the team to the extent that TBEL shifted its corporate office from Mumbai to Pune even at the cost of losing senior staff members of the TBEL team. However, even at this stage they demonstrated careful listening to the incumbents and the extra efforts, needed to talk to the families, arrange school admissions for their children and adjust salary structures. But no amount of excuses could hold the management back from its decision. The case thus additionally demonstrates the need to filter genuine problems from insignificant ones and respond to each individually as per the need. The importance of listening is demonstrated over and over again whether it had to do with resolving day-to-day problems such as arranging a water cooler or modifying a working technique or it had to do with major issues as the social change required to ensure quality. The case further supports the highlighting of critical incidents that send messages into the memory of an organization. In case of TBEL this happened when the management insisted on not bribing the inspector in face of age-old tradition of acceptance of red tape and fear of litigation. Once the management was able to demonstrate its will to establish certain values, the event played a critical role in shaking the value system and changing the culture of the organization.

In consonance with the proposed model, the case also demonstrates that it is important to translate the mission of an organization into specific goals for employees to understand and achieve. At TBEL this was done through the *Fun at Work* programme wherein the mission was jointly worked out and benchmarks were identified to specify goals. Besides these obvious gains, the process greatly contributed in mobilizing the workers to build a future for themselves. The case also demonstrates the need for transparency to truly enable empowerment and the need for empowerment for accountability.

As regards the external communication strategy, the case supports the framework only partially. While it does mention that extensive documentation was required to be done to satisfy BIFR and to get waivers that a sick company could get owing to governmental support, it does not indicate similar stance for customers or suppliers.

In case of customers, TBEL shifted focus from the erstwhile customer base to a new customer base and began the process almost afresh. The case demonstrates the need to understand its market and consumer very intricately. It did not develop the industry wisdom with its current employees. Infact it instituted a research study to gain a thorough understanding and plan accordingly. The case also does not indicate the need to brief customers on its problems or strengths or to include them in developing a turnaround strategy. Similarly, in case of suppliers the case does not support the recommendation of including suppliers in designing a turnaround strategy though it does indicate the need to build financial credibility and long term relations through continuous interactions backed by supporting action.

Although TBEL had media interactions that contributed towards increase in TBEL share prices, the company did not pursue it as part of turnaround strategy. Infact, Nigam mentioned that since India was not a focus market they did not pursue media interactions beyond what came as a surprise to them. Thus TBEL case does not purport media interaction as a communication action for turnaround.

However, the case does indicate a need to maintain a transparent and direct contact with social activist groups to dislodge any misconceptions that they might have towards the organization's motives or actions.

TBEL case strongly supports the need to invest in enhancing communication technologies as it invested heavily and reaped benefits in ways more than it had expected. As regards the ERP package Nigam goes to the extent of calling it the second major development (the other being the turnaround itself).

Framework 5.1

The Match between the CS for OTA framework and the Communication strategy of TBEL during turnaround.

✗ No	— Don't Know	✓ Yes	NEW - Newly Identify
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Theoretical Pattern

Case Pattern

Stakeholder/ Turnaround Element (objective)/

Possible Communication Action

1. Board of Directors	✗
1.1. Gain support and time in the future	—
1.1.1. Present detailed turn-around plan	✓

2. Staff and Employees	✓
2.1. <i>Credibility building actions by the new management</i>	✓
2.1.1. Document, and communicate a strategic turnaround plan	✓
2.1.2. Publicize success in resolving a current crisis or problem	✓
2.1.3. Make decisions transparent	✓
2.1.4. Exercise Communication Control	✓
2.2. <i>Initial Control</i>	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	—
2.2.2. Exercise Communication Control.	✓
2.2.3. Seek views on the general well being of the employees.	✓
2.3. <i>Mobilization of organization for turnaround</i>	✓
2.3.1. Include key managers for development of industry wisdom	✗
2.3.2. Include only key managers for development of vision	—
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✓
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✓
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✓
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✓
2.3.8. Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9. Share the pulpit (Empowerment)	✓
2.3.10. Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11. Note any comments or queries and provide answers asap.	—
2.3.12. CEO must get out of the office to interact with the employees and to listen to them	✓
2.3.13. Employ open ended communication style that encourages employees to find answers, take decisions.	✓
2.3.14. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15. Articulate a few highly concrete targets for the company for the next few months	✓
2.3.16. Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✓
2.3.17. Rephrase people's roles to clarify managerial responsibilities.	✗
2.3.18. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓
2.3.19. Publicize and celebrate every employee and team success.	✓

2.4. <i>Internal Co-ordination</i>	✓
2.4.1. Offer constant feedback to keep organization on track	—
2.4.2. Set up co-ordination committees for co-ordinating interdependent departments	✓
2.4.3. Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	—
2.4.4. Insist that lower level disputes be settled at that level on a face to face basis	—
2.4.5. Keep the atmosphere light.	✓
2.4.6. Keep enhancing communication technology – email, mobile, ERP	✓
3. Unions	✓
3.1. <i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	✓
3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2. Get them to suggest turnaround steps	—
3.1.3. Seek support, concessions etc. from the unions	✓
3.1.4. Evolve jointly a broad turnaround strategy	—
3.1.5. Keep unions posted on the progress of the turnaround	✓
4. Banks and Financial Institutions	✓
4.1. <i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓
4.1.2. Get them to suggest turnaround steps	✗
4.1.3. Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4. Evolve jointly a broad turnaround strategy	✗
4.1.5. Keep Banks and/or FIs posted on the progress of the turnaround	✓
5. Government	✓
5.1. <i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2. Get them to suggest turnaround steps	✓
5.1.3. Seek support, concessions etc. from the government	✓
5.1.4. Evolve jointly a broad turnaround strategy	✓
5.1.5. Keep the government posted on the progress of the turnaround	✓

6. Suppliers	✓
6.1. <i>Negotiation of support of suppliers and neutralization of suppliers' pressures</i>	✓
6.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	✓
6.1.2. Get suppliers to suggest turnaround steps	✗
6.1.3. Seek support, concessions etc. from suppliers	✓
6.1.4. Evolve jointly a broad turnaround strategy	✗
6.1.5. Keep suppliers posted on the progress of the turnaround	✓
6.2. Build credibility	NEW
6.2.1. <i>Commit payments to build credibility</i>	NEW
6.3. Ensure desirable quality of supplies	NEW
6.3.1. <i>Educate supplier for better quality and quantity</i>	NEW
7. Customers	✓
7.1. <i>Negotiation of support of customers and neutralization of customers' pressures</i>	✗
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	✗
7.1.2. Get customers to suggest turnaround steps	✗
7.1.3. Seek support, concessions etc. from customers	✗
7.1.4. Evolve jointly a broad turnaround strategy	✗
7.1.5. Keep customers posted on the progress of the turnaround	✗
7.2. Ignore current market and find a new market (customers)	NEW
7.2.1. <i>Design communications to suit customer/ consumer needs and tastes</i>	NEW
7.2.2. <i>May rename products</i>	NEW
7.2.3. <i>May redesign packaging</i>	NEW
7.2.4. <i>May redesign logo</i>	NEW
7.2.5. <i>Make communications consistent</i>	NEW
7.2.6. <i>Build brand image</i>	NEW
7.2.7. <i>Train people on cross cultural communication</i>	NEW
7.3. Sourcing industry information for quick cost reduction	✓
7.3.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.4. Revenue Generation	✓
7.4.1. Have much more focused advertising and promotion	✓
7.4.2. Build Brand Image	NEW
8. Social Activist Groups	NEW
8.1. <i>Gain support and neutralize pressures</i>	NEW
8.1.1. <i>Maintain transparent and direct contact</i>	NEW

Validating the propositions

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

10 of the 12 objectives listed in the framework were addressed by the TBEL management during the turnaround phase of TBEL. Although communication action (1.1.1) for one of the objectives (1.1) is found in the description of the case, the objective of the action is not clear. However, one of the communication objective (7.1) was not a communication objective for TBEL.

Thus, the turnaround of TBEL ***supports Proposition P_{1A}*** as it addressed some (most) of the communication objectives given in the framework but not all of them.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

10 of the 12 communication objectives proposed in the framework were addressed in TBEL. Four new objectives addressed in TBEL and not mentioned in the proposed framework were

1. Build credibility among suppliers (6.2)
2. Ensure desirable quality and quantity of supplies (6.3)
3. Shift from current market to a new market (7.2)
4. Maintain a transparent and direct contact with social activist groups (8.1)

Thus, we notice that while there is a considerable ***overlap of*** the empirical findings of TBEL case with ***suggested pattern*** of communication objectives, there are ***differences*** too.

The case of the turnaround of TBEL therefore ***does not support Proposition P_{1B}*** as the conformance to the framework is high though not complete. Thus, we may say that the list of communication objectives in the framework proposed is certainly suggestive though not comprehensive.

Proposition P_{2A}: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.1 indicates that TBEL management addressed all the 7 stakeholders listed in the proposed theoretical framework.

It thus ***supports Proposition P_{2A}***.

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

TBEL in addition to addressing the 7 critical stakeholders suggested in the proposed framework, addressed an ***additional critical stakeholder, namely social activist group***. (For the purpose of this study, if the management has identified a communication objective for any stakeholder, it may be considered as a critical stakeholder).

The TBEL case therefore suggests that the list of critical stakeholders proposed in the framework is not comprehensive. It thus ***does not support Proposition P_{2B}***

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework is employed to realize a corresponding communication objective during turnaround.

Framework 5.1 reveals that TBEL adopted some of the communication actions of all objectives identified in the framework and addressed by TBEL. However, there were some objectives that were not listed but addressed by TBEL (6.2, 6.3 and 7.2) and one that was listed but not addressed (7.1) by TBEL. With the exception of these, all objectives were addressed and communication actions listed thereof were found to have been adopted by TBEL. These findings ***support Proposition P_{3A}***

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.1 indicates that TBEL employed 41 communication actions from the list of 60 communication actions listed in the theoretical framework proposed. It did not employ 11 communication actions listed while information on 8 actions was not made available to the researcher. However, Framework 5.1 also indicates 11 new communication actions (6.2.1, 6.3.1, 7.2.1, 7.2.2, 7.2.3, 7.2.4, 7.2.5, 7.2.6, 7.2.7, 7.4.2, 8.1.1) adopted by TBEL management during the turnaround.

Thus, the turnaround of TBEL ***does not support Proposition P_{3B}*** as it indicates that list of communication actions recommended for achieving the communication objectives is not comprehensive.

Case 2

EMPEE SUGARS AND CHEMICALS LTD.

Deciphering Communication during Turnaround

Background

Empee Sugars and Chemicals Ltd. was originally incorporated as Raghav Sugars (P) Ltd. in 1988. After its public issue in 1990, Empee Distilleries held 51.09% shares in its paid up capital and became the holding Company of Raghav Sugars (P) Ltd. which was renamed as Empee Sugar and Chemicals Ltd. Later, Empee Distilleries Ltd. retained only 40% shares of Empee Sugar and Chemicals Ltd. and ceased to be the holding company. M Sreenivasulu Reddy and Sudhakar Reddy promoted the project and MP Purushothaman, a promoter of Empee Distilleries, got associated with the project.

The Company set up a sugar factory for manufacture of white crystal sugar with a crushing capacity of 2500 TCD at Naidupet in Andhra Pradesh²⁸. However, in the year 1995 the Company incurred losses of INR 101 mn and its networth became INR (7.8) mn. It remained negative till 1999 but turned positive in year 2000. By 2003, the networth of the Company had increased to INR 147mn. (source Prowess V2.0: Centre for Monitoring Indian Economy Pvt. Ltd.).

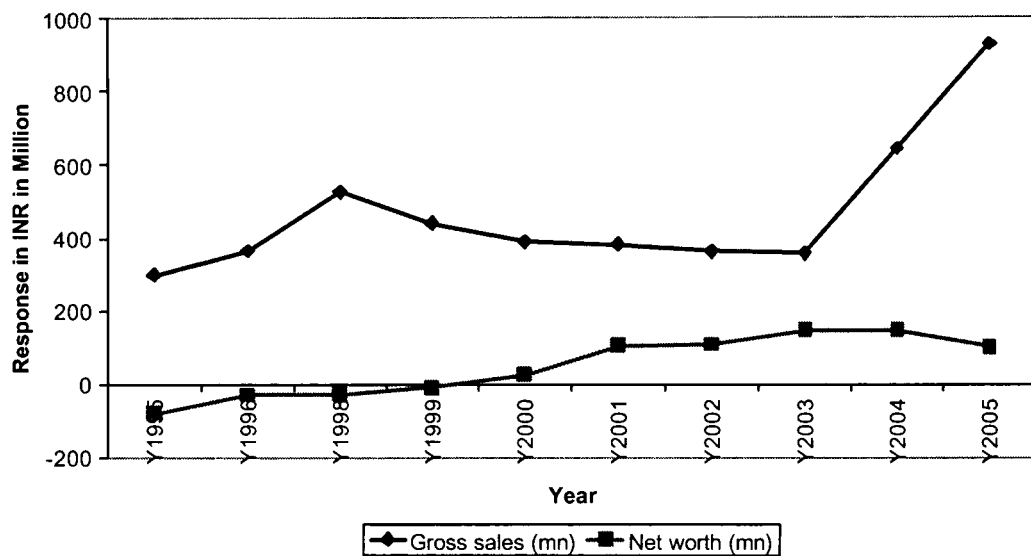
Table 5.2.1: ESCL performance during 1995-2005; turnaround in 2000

<i>Empee Sugars & Chemicals Ltd.</i>										
	1995	1996	1998	1999	2000	2001	2002	2003	2004	2005
Gross sales (INR in mn)	299	366	527	440	390	384	364	359	644	928
Net worth (INR in mn)	-78	-29	-27	-9	26	104	109	147	147	101

²⁸ Andhra Pradesh is a state located in the South of India.

Chart 5.2.1: Performance of ESCL during 1995-2005; turnaround in 2000

Empee Sugars & Chemicals Ltd.



External Issues

Government Policies: In India, Sugar and Sugarcane were essential commodities under the Essential Commodities Act 1955. Government of India followed policy of partial control and dual pricing for sugar. Under this policy, a certain percentage of sugar produced by sugar factories was requisitioned by the Government as compulsory levy at a price fixed by Government in every sugar season. The levy sugar was distributed through the Public Distribution System (PDS). The non-levy, free sale sugar was allowed to be sold as per the quantity released by the Government under the free sale sugar release mechanism. The compulsory levy obligation of sugar factories until year 2000 was 40% of total production²⁹. (Department of Food and Public Distribution, Directorate of Sugar website)

“Like all other sugar mills, we were also incurring losses because there was no means of making profits. The government decided the price at which the raw material was to be bought, it also decided the price at which it had to be sold³⁰.”

²⁹ Under this obligation a sugar manufacturer had to sell 40% of its produce to the Government of India at a pre-determined price determined by the Government of India.

³⁰ Interview with R Chandramohan, Senior Vice President ESCL on December 3, 2005

Banks: Chandramohan felt that the biggest challenge was to handle the banks. “They were reluctant to lend money to us and money was a critical requirement”.

Suppliers: “Since groundnut and paddy crop yielded two to three times in an year, the farmer preferred it over sugarcane that yielded once an year. There was a need to develop suppliers to produce more sugarcane as the demand for finished product was more than the available raw material”.

Unraveling the turnaround

Govt lifts control: “Since the government lifted its controls, the industry began to blossom and Empee Sugar and Chemicals Ltd. also therefore started doing well. Until some time back, sugar was sold at Rs 10,000 a ton and now the same sugar is sold at Rs 16,000 a ton. Naturally the company is now able to recover its costs and make profit. The turnaround may therefore be attributed to the government policies for the industry rather than any operational changes brought into the running of the Company”.

A study of the policies of Government of India (see annexure 1) reveals that the Essential Commodities Act which had been implementing levy system for 42 years was revised several times over after 1997. The policy changes reduced control by reducing the compulsory levy obligation from 40% in 2000 to 10% in the Year 2002. Similarly several measures were taken to promote export of sugar while imports were discouraged. (See Table 5.2.2)

Table 5.2.2: Policy changes in sugar industry post 1997

Policy Change	With effect from date/ Price in INR
Year 1997	
Export of sugar decanalised	15 th January, 1997
Year 1998	
Whole sale price of non-levy sugar	1333-1620 per quintal
Retail Price of Sugar	15.00-17.50 per kg
Basic Custom Duty on imports increased from zero to 5%	27.4.1998
Year 1999	
Whole sale price of non-levy sugar	1326-1700 per quintal
Retail Price of Sugar	14.00-18.00 per kg
Basic Custom Duty increased from zero to 20% and by end of year to 40%	14.1.1999
reintroduced the system of release mechanism on imported	December 1999

Policy Change	With effect from date/ Price in INR
sugar	
Year 2000	
Levy reduction from 40% to 30%	Jan 1, 2000
Whole sale price of non-levy sugar	128.5-165.0 per quintal
Retail Price of Sugar	14.00-17.50
SMP (Statutory Minimum Price) of Sugarcane	59.50 per quintal
Basic Custom Duty increased from 40% to 60%	9 Feb 2000
levy obligation imposed on the importers	17.2.2000
Year 2001	
Levy reduction 15%	February 1, 2001
Levy sugar supply under the PDS (Public Distribution System) has been restricted only to the BPL (Below Poverty Line) families in all states /UTS except the North Eastern States, Hill States and Island Territories. The minimum per head per month quantum of levy sugar allotted under the PDS was increased from 425 gms to 500 gms The Monthly levy quota under the PDS for various states /UTS with effect from is 2.16.Lakh Tonnes.	February 1, 2001
Clearances to 3 proposed exchanges given in principle. Trading from two exchanges has already commenced.	May 2001
Whole sale price of non-levy sugar	1285- 1630 per quintal
Retail Price of Sugar	13.60-17.50 per kg
SMP (Statutory Minimum Price) of Sugarcane	62.05 per quintal
Quantitative ceiling on Export of Sugar removed. Registration-Cum-Allocation Certificates (RCAC) by APEDA not required. Export Release Order by Directorate of Sugar required	1.4.2001
Year 2002	
Levy reduction 10%	March 1, 2002
Release of non levy free sale sugar	1625 per quintal
All-India levy sugar price	INR.1259.99 per quintal
Retail price of levy sugar under the PDS INR 13.50 per kg	March 1, 2002
Whole sale price of non-levy sugar	1130- 1575 per quintal
Retail Price of Sugar	12.30-16.00 per kg
SMP (Statutory Minimum Price) of Sugarcane	69.50 per quintal
Year 2003	
The Essential Commodities Act, 1955 amended. No producer, importer or exporter of sugar shall sell or otherwise dispose of	June 2003

Policy Change	With effect from date/ Price in INR
or deliver any kind of sugar except under and in accordance with the direction issued by the Government	
Release of non levy free sale sugar	1483.8 quintal
All-India levy sugar price	Increased from INR 1259.99 to 1305.92 per quintal
Whole sale price of non-levy sugar	1271-1800 per quintal
Retail Price of Sugar	13.00-20.00 per kg
SMP (Statutory Minimum Price) of Sugarcane	73.00 per quintal
Year 2004	
Export promotion scheme rescinded	June 21, 2004.

(source: prepared from information given by Directorate of Sugar at www.fcamin.nic.in/dfid)

Investment of Personal Equity: “To begin with, the promoters brought in a personal equity of INR 250 mn to pay the debts and that brought the Company’s networth from negative to positive. *Though the communication strategy was not documented, communication is important for carrying out any business. We had regular meetings with the Chairman to strategize and decide how we take the business ahead*”.

External Communication at ESCL

Banks: “The ESCL Chairman had regular meetings with the Bank’s chairman and the financial management team with the General Managers of the Banks. So communication channels were operating at all levels to convince the Banks. Presentations had to be made to make them understand the problems at the field level and the plans to address these problems”.

Suppliers: “Since groundnut and paddy crop yield two to three times in an year, the farmer prefers it over sugarcane that yields once an year. Therefore the farmers have to be given subsidy in the form of seed, fertilizer etc. to encourage them to grow more sugarcane. With such measures, ESCL is still trying to improve the raw material supplies to be able to achieve optimum utilization of their plants. *The procurement team has to therefore meet the farmers and explain the facilities offered to them.*

Government: The government in India decides how much sugar can be sold in the open market. “We therefore have to send requests to the government to permit release of larger quantities of sugar. Since it comes in the purview of the central government

usually written communication is resorted to. *Incase of more urgent tasks face to face communication is what we need to resort to*”.

Industry Associations: “We are a member of the Sugar Mills Association and we participated in meetings both in Hyderabad and Chennai to keep track of events and developments of the industry”.

International Agencies: ESCL did not have to interact with any International agencies for any of its business operations.

Media Relations: “ESCL kept the media posted with its issues and developments on a regular basis. There was a separate department that managed media relations”.

Internal Communication Strategy

Employees: “The demoralized employees were tackled at the unit level through informal group meetings. These were held at all levels – with the engineering cadre, the field employees or the top position employees. We explained to them their role in shaping the future. The employees could see that if they did not cooperate the company would collapse and so they would loose employment. Since, the industry was not doing well there was no other place to move to also. Thus, getting workers was not a major problem. Even if we could get 60% workforce, the work would roll on.”

Communication Technology Interventions: *Everyone at ESCL had a terminal on the desk and the broadband surfing facility was available to all. ESCL was planning to implement ERP software at the time of the interview. “All senior executives have a mobile phone and that has improved the speed of communication. The SMS technology is not employed for any business/ marketing purposes”.*

Training is not part of the mandate. *Internet surfing is used extensively* to keep track of markets though the ESCL website was not a focus area for enhancing business operations.

Analysis

The case of the turnaround of ESCL indicates that owing to the policies of the Government of India, ESCL as an organization became sick. Also, with the change in government policies, it recovered and turned around later. It thus supports the first proposition that environment has an impact on organizations and organizations change with changes in the environment. It however indicates that sometimes the impact of environment on organization is so strong that it renders the impact of

managerial decision making inconsequential. The case of the turnaround of ESCL thus *confirms the first stage of the theoretical framework proposed and displayed in Figure 3.1.*

Further, Chandramohan asserts that the reason for sickness of the Company was the policies of the Government of India and thus there were no means to make profits. The Banks were hostile. The farmers (suppliers) were not interested in producing the raw material as it reaped no benefits. Thus, disabling forces were exerted by the three external stakeholders (government, banks and suppliers) when the Company became sick. However, the case does not attribute the failure to any of the internal reasons and does not indicate any enabling/disabling forces emanating from internal stakeholders. Thus, the case of the turnaround of *ESCL partially confirms the second stage of the theoretical framework suggested.*

The prowess data studied as part of this research indicated that four sugar companies had turned sick during the period 1995 to 2005 and two of these four recovered during this period. The BIFR data reveals that a total of 28 Sugar companies were registered sick during 1995 to 2005 but none has been deregistered as a healthy unit. (Although ESCL turned sick, it was not referred to the BIFR). While Chandramohan mentioned that all sugar mills were sick earlier and that with change in government policies these mills are reviving, this data does not support the argument. As is evident from this data, there were other sick companies that have not turned around despite changes in the government policies. This finding therefore indicates that while Chandramohan might attribute the turnaround entirely to changes in government policies (external environment), data suggests otherwise. It would therefore be appropriate to maintain that the proposition of the theoretical framework that management has to play a central role and manage stakeholders to enable a turnaround is correct.

The final stage of the theoretical framework suggests that the turnaround managements adopt formal or informal communication strategies for each stakeholder. The turnaround of ESCL indicates that no formal strategy was worked out although for all communications emanating from the Company, the management and the Chairman were working and discussing management of ESCL communications very closely. Therefore, communication strategy was an evolutionary process and not a documented strategy. Since the management does not attribute turnaround to managerial actions, therefore it refused to elaborate on communication objectives addressed and communication actions taken there of.

Since our data collected from secondary sources indicates that ESCL management did play a central role in enabling the turnaround, we believe that the management did take managerial actions; it did identify communication objectives for critical stakeholders and it did employ appropriate communications actions, in consonance with the Figure 3.3 to enable a turnaround. However, it was unable to articulate its actions and hence unable to share these with the researcher. Thus, the case of ESCL definitely supports a part of the Figure 3.3 (that management played a central role in turnaround) but it leaves room for doubt for the other part (addressing communication objectives for each stakeholder through communication actions) though it cannot be said that it does not support this part. **The pattern of communication actions as identified from the ESCL case study are given in Framework 5.2 below.**

Framework 5.2

The Match between the CS for OTA framework and the Communication Strategy of ESCL during turnaround

	✕ No	— Don't Know	✓ Yes	NEW - Newly Identify
Theoretical Pattern				Case Pattern
Stakeholder/ Turnaround Element (objective)/				
Possible Communication Action				
1. Board of Directors				—
1.1. Gain support and time in the future				✕
1.1.1. Present detailed turn-around plan				✕
2. Staff and Employees				✓
2.1. Credibility building actions by the new management				✕
2.1.1. Document, and communicate a strategic turnaround plan				✕
2.1.2. Publicize success in resolving a current crisis or problem				—
2.1.3. Make decisions transparent				—
2.1.4. Exercise Communication Control				—
2.2. Initial Control				—
2.2.1. Order preparation of daily, weekly and monthly cash forecasts				—
2.2.2. Exercise Communication Control.				—
2.2.3. Seek views on the general well being of the employees.				✕
2.3. Mobilization of organization for turnaround				✓
2.3.1. Include key managers for development of industry wisdom				✓

2.3.2.	Include only key managers for development of vision	—
2.3.3.	CEO should deliver the vision presentation in person and as often as possible.	—
2.3.4.	Hold special sessions for non-participating managers after vision has been developed to share planned vision	—
2.3.5.	Inject urgency in the communications plan. Explain what need to be done and why	✓
2.3.6.	Listen to the views of all managers. Gauge their reaction	—
2.3.7.	Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✗
2.3.8.	Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9.	Share the pulpit (Empowerment)	—
2.3.10.	Deal with concerns of employees in open and honest manner. Offer Follow up sessions	—
2.3.11.	Note any comments or queries and provide answers asap.	—
2.3.12.	CEO must get out of the office to interact with the employees and to listen to them	—
2.3.13.	Employ open ended communication style that encourages employees to find answers, take decisions.	—
2.3.14.	Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15.	Articulate a few highly concrete targets for the company for the next few months	—
2.3.16.	Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	—
2.3.17.	Rephrase people's roles to clarify managerial responsibilities.	—
2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	—
2.3.19.	Publicize and celebrate every employee and team success.	—
2.3.20.	<i>Vision and mission statements were conveyed and displayed</i>	NEW
2.4. Internal Co-ordination		—
2.4.1.	Offer constant feedback to keep organization on track	—
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	—
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	—
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	—
2.4.5.	Keep the atmosphere light.	—
2.4.6.	Keep enhancing communication technology – email, mobile ERP	✓

3. Unions	✓
<i>3.1. Negotiation of support of Unions and neutralization of Unions' pressures</i>	✗
3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2. Get them to suggest turnaround steps	✗
3.1.3. Seek support, concessions etc. from the unions	✓
3.1.4. Evolve jointly a broad turnaround strategy	—
3.1.5. Keep unions posted on the progress of the turnaround	✓
4. Banks and Financial Institutions	✓
<i>4.1. Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓
4.1.2. Get them to suggest turnaround steps	—
4.1.3. Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4. Evolve jointly a broad turnaround strategy	✗
4.1.5. Keep Banks and/or FIs posted on the progress of the turnaround	✓
4.1.6. <i>Educate concerned bank officials on working of business/industry</i>	NEW
5. Government	✓
<i>5.1. Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	—
5.1.2. Get them to suggest turnaround steps	—
5.1.3. Seek support, concessions etc. from the government	✓
5.1.4. Evolve jointly a broad turnaround strategy	—
5.1.5. Keep the government posted on the progress of the turnaround	—
7. Suppliers	✓
<i>7.1. Negotiation of support of suppliers and ne utralization of suppliers' pressures</i>	✓
7.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	—
7.1.2. Get suppliers to suggest turnaround steps	—
7.1.3. Seek support, concessions etc. from suppliers	✓
7.1.4. Evolve jointly a broad turnaround strategy	—
7.1.5. Keep suppliers posted on the progress of the turnaround	—
7.1.6. <i>Educate supplier for better quality and quantity</i>	NEW

9. Customers	✓
9.1. <i>Negotiation of support of customers and neutralization of Customer's pressures</i>	✓
9.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	✓
9.1.2. Get customers to suggest turnaround steps	✗
9.1.3. Seek support, concessions etc. from customers	✓
9.1.4. Evolve jointly a broad turnaround strategy	✗
9.1.5. Keep customers posted on the progress of the turnaround	✗
9.2. <i>Sourcing industry information for quick cost reduction</i>	✓
9.2.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
9.3. <i>Revenue Generation</i>	✓
9.3.1. Have much more focused advertising and promotion	—
10. Industry Association	NEW
10.1. <i>Voice concerns to government through Industry Association</i>	NEW
10.1.1. <i>Actively participate in association meetings</i>	NEW

Validating the propositions

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.2 indicates that ESCL management addressed 7 (2.3, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3) of the total of 12 communication objectives listed in Framework 3.2 of theoretical framework proposed in chapter 3. 3 communication objectives (1.1, 2.1, 3.1) listed in the theoretical framework proposed were not addressed by the ESCL management while information on 2 communication objectives (2.4, 2.2) was not shared with the researcher.

It is evident therefore that ESCL addressed some of the communication objectives given in the framework but not all. The case of the turnaround of ESCL therefore ***supports Proposition P_{1A}***.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

Framework 5.2 indicates that while ESCL addressed 7 communication objectives (2.3, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3) listed; did not address 3 communication objectives (1.1, 2.1, 3.1); and did not provide information on 2 communication objectives (2.4,

2.2), it did address an additional communication objective (8.1 - *Voice concerns to government through Industry Association*) that was not listed in the theoretical framework proposed.

The case of the turnaround of ESCL therefore **does not support Proposition P_{1B}** as it indicates that the list of communication objectives in the theoretical framework proposed is suggestive and not comprehensive.

Proposition P_{2A} : Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.2 indicates that ESCL management addressed all the 7 stakeholders listed in the proposed theoretical framework.

It thus **supports Proposition P_{2A}** .

Proposition P_{2B} : The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Framework 5.2 indicates that ESCL management addressed communication objectives set for 6 stakeholders (Employees, Banks and FIs, Government, Suppliers, Customers) listed in the theoretical framework. Thus, it had to deal with 5 critical stakeholders. However, top management's objectives vis-à-vis Board of Directors are not known, However, the mention of a new critical stakeholder (Industry Association) is noticed. This stakeholder was not included in the theoretical framework suggested in this study.

Thus, the turnaround of ESCL **does not support the Proposition P_{2B}** as it indicates that the list of critical stakeholders proposed in the theoretical framework is not comprehensive.

Proposition P_{3A} : At least one of the communication actions listed in the proposed theoretical framework is employed to realize a corresponding communication objective during turnaround.

Framework 5.2 indicates that for each of the 7 communication objectives addressed by ESCL management during turnaround, it employed at least 1 communication action from the listed communication actions for that objective in the theoretical framework. However, for 1 objective (7.3 - revenue generation), the theoretical framework proposes only one communication action (7.3.1 - Have much more **focused advertising and promotion**). ESCL did not provide any information on whether it employed this communication action for the said objective or not. In the

absence of availability of information, we may derive our conclusion on the basis of the information available for the other 5 communication objectives addressed by ESCL management during turnaround.

Thus, the case of turnaround of ESCL ***supports Proposition P_{3A}*** as it confirms that at least one of the list of communication actions recommended in the theoretical framework must be employed to realize the corresponding communication objective.

Proposition P_{3B} : The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.2 indicates that ESCL employed 18 communication actions from the list of 60 communication actions listed in the theoretical framework proposed. It did not employ 7 communication actions listed while information on 35 actions was not made available to the researcher. However, Framework 5.2 also indicates 4 new communication actions (2.3.20 - *Vision and mission statements were conveyed and displayed*; 4.1.6 - *Educate concerned bank officials on working of business/ industry*; 6.1.6 – *Educate supplier for better quality and quantity*; 8.1.1 - *Actively participate in association meetings*) adopted by ESCL management during the turnaround.

Thus, the case of turnaround of ESCL ***does not supports Proposition P_{3B}*** as it indicates that list of communication actions recommended for achieving the communication objectives is not comprehensive

Case 3

AMRIT BANASPATI COMPANY LTD.

Deciphering Communication during Turnaround

Background

Amrit Banaspati Company Ltd. (ABCL) was established in 1940 to manufacture hydrogenated oil, more commonly known as '*vanaspati ghee*' in India. The first manufacturing facility was set up in *Ghaziabad*³¹ and in 1968 edible oil operations were expanded by putting up a plant in *Rajpura*³². In 1980s, it expanded the product-mix to include edible refined oils along with '*vanaspati*'. In 1989, ABC Paper, a division of ABCL was set up at *Sailakhurd* in the state of *Punjab*, 108 kms from *Chandigarh*³³. ABC paper is a wood free paper plant that uses agro-wastes like wheat, husk, rice-straw, kana grass etc. to manufacture printing and writing paper³⁴. "In 1989, there was a short supply of milk. So we thought that Soya milk could be a viable alternative and so we invested INR 200 mn to set up a plant for Soya milk production. Perhaps that was the beginning of the downfall³⁵".

The performance of ABCL started declining. Its networth declined from INR 229.2 mn in 1996 to INR -138.9 mn in 2000. Consequently, the Company was declared a sick industrial undertaking by BIFR in 1997. The networth of ABCL further eroded to INR -232.8 mn in 2002 but the performance started to pick-up thereafter and in 2003 the networth became positive. The results of ABCL have since been improving. (See Table 5.3.1 and Chart 5.3.1). By 2005, the networth of ABCL had risen to INR 369.8 mn, an all time high in its 65 years of existence.

Table 5.3.1: Performance of ABCL during 1995-2005; turnaround in 2003

<i>Amrit Banaspati Co. Ltd.</i>										
	1995	1996	1997	1999	2000	2001	2002	2003	2004	2005
Gross sales (INR in mn)	4976	4097	5786	4351	3247	3243	3802	4231	4679	4836
Net Worth (INR in mn)	229	201	16	-139	-213	-233	-174	190	304	330

³¹ an industrial town in Uttar Pradesh, a northern state of India

³² a city located in Punjab, a northern state of India

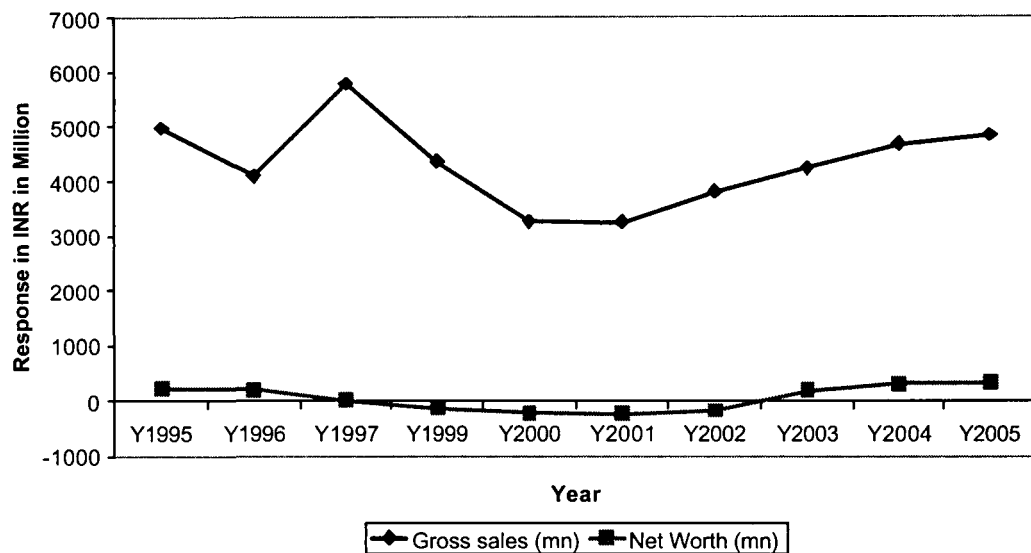
³³ Chandigarh is the capital of Punjab, a state located in the north of India.

³⁴ ABCL 63rd Annual Report 2003-2004

³⁵ Interview with AK Bajaj on October 21, 2005

Chart 5.3.1: Performance of ABCL during 1995-2005; turnaround in 2003

Amrit Banaspati Co. Ltd.



Unraveling the turnaround

External Issues

Government policies: India's new economic policy was launched in June 1991. The government began to liberalize the economy by reforming trade, financial, tax and investment policies. Public enterprises were restructured and the budget controlled more closely. Specific policy reforms included abolishing most industrial licensing, removing import licensing, reducing tariffs and relaxing foreign investment regulations. Ashwini Bajaj, Managing Director, ABCL in his interview shared the impact of this liberalization on ABCL. He stated, *"Post liberalization it became difficult for ABCL to operate a vanaspati plant in UP. The labour cost in UP was very high. Electricity was expensive. To add to these woes, UP government gave sales tax exemption to new units for 5 years"* (Ashwini Bajaj, personal communications, October 21, 2005). As a result, several new units like Suraj Banaspati, Super Banaspati & others came up while old players such as Modi and HLL had to close down. ABCL also, due to several players, high cost of production, tax exemptions to new units and low profit margins, became in-competitive.

Health of the Paper Industry: The domestic paper industry was broadly classified into writing & printing paper, industrial paper, and specialty paper. ABCL operated in the writing and printing paper segment which accounted for nearly 40%

of the total paper and paper board consumption (ABCL Annual Report 2003-2004). In 1996 came a worldwide downturn in the paper industry. This was a usual dip in the cyclic market but ABCL started making losses.

Arranging Finance: In 2002-03, ABCL's debt payable to the Banks was to the tune of INR 743.66 mn and that to the Financial institutions was INR 435.76 mn (ABCL Annual Report 2002-2003). "Since, several companies were going through a rough patch at that time, even the banks didn't know how much to believe and how much to probe, It was therefore extremely tough to convince the Banks or gain their confidence³⁶."

Customer Blues: The cultivated oilseeds and edible oils, from all domestic sources, were never able to meet the demand in the country. (See Table 5.3.2 for figures of 1996-2001)

Table 5.3.2: Demand/availability of edible oils during 1996-2001

Oil Year (November – October)	Production of Oilseeds [In Lakh Tonnes]	Net availability of edible oils from all domestic sources	#Demand of Edible Oils [In Lakh Tonnes]
1996-1997	243.80	70.90	85.06
1997-1998	213.20	60.32	72.98
1998-1999	247.48	69.61	95.83
1999-2000	208.70	61.07	103.03
2000-2001	182.00	54.54	94.29 (Est.)

Demand has been taken as net availability of edible oils from domestic sources + import of edible oils.

Source: (i) *In respect of production of oilseeds: Agricultural Statistics, at glance 2001, Ministry of Agriculture.*

(ii) *In respect of net availability of edible fats from all domestic sources & demand edible oils: Directorate of Vanaspati, Vegetable Oils & Fats.*

The low production of oil was owing to the shortfall in availability of raw material. So much so that most of the units were underutilized. (See Table 5.3.3)

³⁶ Ibid 35

Table 5.3.3: Capacity Utilization in Vegetable Oil Industry

Type of Vegetable Oil Industry	No. of Units	Annual Capacity (Lakh MT))	Average Capacity Utilisation
Oilseed Crushing Units	1,50,000 (Approx.)	425 (In terms of Seeds)	10-30%
Solvent Extraction Units	766	360 (In terms of Oil-bearing Material)	44%
Refineries attached with Vanaspati	100	10	40%
Refineries attached with Solvent Extraction Plant	200	12	35%
Independent Refineries (RU / Edible)	500	25	30%
Total Refineries	800	47	35%
Vanaspati Units	226	40 (In terms of Vanaspati)	35%

Source: Directorate of VVO&F

Thus, the characteristics of the domestic Vegetable Oil industry were as follows:-

The capacity utilisation of oilseeds crushing units (both in the small scale sector and in the organised sector) varied from an average of 10% for ghanis (small scale sector) to around 30% in case of expellers in the organised sector. However, consequent upon de-licensing of the vegetable oils industry there was unrestricted growth in the industry. This creation of capacity was not at all incommensurate with availability of raw materials. This coupled with the obsolete technology that was commonly employed resulted in very low margin because of stiff competition, inefficiency of operations etc. Owing to the dependence of these units on the import of raw material, the cost of which therefore depended on the customs duty, the nature of the trade was speculative. (Department of Food and Public Distribution System, www.fcamin.nic.in/dfid)

In the Pre-liberalization era, the licensing policy empowered the manufacturers / suppliers. They could make money, if they had acquired the license for operation. *“In ABCL, both the management and the executives were used to having distributors*

queue up for supplies. Customers' opinions were, therefore, not a concern. Post liberalization, the scene changed. Suddenly there were plenty of manufacturers / suppliers and distributor queues vanished. ABCL was in a new reality that it had to accept to initiate a renewed process of marketing and sales. But ABCL was not prepared mentally to accept these new realities (Ashwini Bajaj, personal communications, Oct 21, 2005) ”.

Supplier-related issues: As can be noted from Table 5.3.2, the raw material for producing vanaspati and edible oil was in short supply in the domestic market. Increased number of edible oil and vanaspati producers further enhanced the scarcity. Production facilities were thus dependent on import of raw material from neighboring countries like Nepal and SriLanka. (Department of Food and Public Distribution System, www.fcmai.nic.in/dfid, May 1, 2006). This was not an issue till the government ensured supplies and also the sales. However, in the changed environment, companies like ABCL had to compete to get the raw material as well.

Other Stakeholders: There were no issues pertaining to shareholders, industry associations, international agencies or media.

Internal Issues

Closing Down the Gaziabad unit: As mentioned earlier, post 1991, running the Vanaspati plant in UP had become a loss making proposition for ABCL. However, ABCL management took seven years to realize that the changed market realities were there to stay. Thus, in 1998, ABCL management decided to shut down the factory at Gaziabad. *“This was a very difficult decision to make and accept, as this unit was the first unit set up by ABCL and it had reaped huge profits in the past. The emotional attachment to the unit was thus high”* (Ashwini Bajaj, personal communications, Oct 21, 2005). But by 1998, it was making losses. ABCL management decided to shift the entire capacity of Gaziabad unit to its unit at Rajpura and to consequently relieve the labour employed at Gaziabad.

Resistance to change: an organizational issue: The culture at ABCL did not promote innovation and change. Customer orientation was completely missing. The Company continued to operate as it had always done. for almost a decade, the management continued to bask in past glory and took no cognizance of the changed reality post liberalization.

ABCL employees were also comfortable doing what they had been doing all along. *“For instance pushing one button and after 15 minutes pushing another button. They*

were habitual to that routine and to change, for example to make a new product, they had to make an effort to change. This was a difficult task (Ashwini Bajaj, personal communications, October 21, 2005)". There was an undefined resistance to change. Suddenly, superficial problems clouded their minds. The management was thus faced with the task of not only asking them to change but asking them to accept the fact that this was not the last change – that continuous change was the new reality.

External Communications at ABCL

Preferring veterans for interactions with Government: Since the companies in the sector depended on imports of raw material from neighbouring countries, the import policy of the country which was undergoing continuous changes, post 1995, was an been important concern. for instance, the custom duty on various Crude Edible Oil except Soyabean Oil, was raised with effect from 1.3.2001. The duty on refined oils was also raised except in the cases of refined Soyabean Oil and refined Mustard Oil where the duties were maintained as they were. (Information from Directorate of Food and Public Distribution System, www.fcamin.nic/dfid May 2, 2006). Though the respondents did not mention any communication strategy that they had adopted for interactions with the Government, the annual report 2002-2003 does indicate a conscious decision that ABCL took to induct GN Mehra as a regular Director on the board of Directors of ABCL. The report states: "*Shri³⁷ G.N. Mehra is a retired bureaucrat having wide ranging experience in administration and industrial development. Shri Mehra has had distinguished career as a member of the Indian Administrative Service. He held top positions in the Government of India as Secretary in the Ministry of Industry, Information and Broadcasting etc. He was the Chief Secretary to the UP state government besides being industries commissioner in UP and Chairman PICUP. He was also associated with the management of various public sector companiesOf his career with the Government spanning 37 years, Shri Mehra has spent 20 years in the field of industrial development and management. The Board of Directors felt that experience, expertise and image will be of immense value to the Company in speedy revival and, therefore, recommended his appointment.* (62nd Annual Report 2002-2003, pp 6)". The emphasis on the experience of GN Mehra fetching him the Director's position in the Company does indicate that such experience, expertise and image carried value for the company. There is, therefore, a reasonable probability that ABCL might have

³⁷ salutation used in the local language

adopted an informal (if not formal) communication strategy to interact with the government.

Persistent presentation of good records personally: build credibility and divert precipitating situations: ABCL was a company with a history. Ashwini Bajaj claimed that it had been a good client for their Banks, all along. However, by late 1990s it was making losses and their need for both a Working Capital debt and a Long Term debt was urgent.

To start with, the ABCL management drew the Banking officials' attention to the past records to build ABCL's credibility. They repeatedly made presentations to different banks to highlight facts and figures, their plans and the changes that they could foresee. *"Convincing the banks was the toughest part. We had to listen to a lot of harsh words and still keep high spirits and keep talking. We shared the real situation personally at many levels. Several banks mentioned to us that in many other cases the representatives of the companies have made presentations that didn't work. But when the promoters present the case themselves, it helps. Even if the Banks were hard with us, the personal appearance ensured that the situation did not precipitate"* (Ashwini Bajaj, personal communications, Oct 21, 2005).

During this phase, ABCL witnessed in Banks all kinds of approaches – from professional to laid back, from understanding to truly harsh. But they received immense support from the Punjab National Bank, which had been their banker from their good times. This benefited them in negotiations with other Banks as well. However, Bajaj emphasized that besides paying back the debt in time, ABCL also kept meeting the Banking officials at several levels to keep them abreast of the situation. This convinced the Banking officials that ABCL was clear in its dealings. Once the credibility was rebuilt, it was an easy sail.

Building brands and selling niche products: With production capacities exceeding far beyond the actual production in India, margins on commodity products were getting squeezed. ABCL therefore diversified into niche products and seriously approached marketing of these products. The product basket included edible oil, margarine, mayonnaise, packed ice-cream and the likes. They also started concentrating on institutional sales such as those to Nestle, McDonalds etc.

In the paper business as well, ABCL added new products to its portfolio. The company started to sell branded paper. They began looking at types of paper, at market needs and at developing the products accordingly.

Internal Strategy

A downfall of almost 10 years forced ABCL management to accept that the new business realities were there to stay. However, Ashwini Bajaj accepted that they took a long time to accept the change.

Labour negotiations: Closing down the plant at Ghaziabad

It was obvious even to the workers that the unit at Gaziabad was making losses. When the management decided to close the unit permanently, the workers had no choice; they had to go. "ABCL management decided to adopt an open and honest approach to the labour negotiation for settlement of dues. This meant that the company had to commit resources at a time when it was running short of funds. This was a tough call but *a step to strengthen the image & reputation of the group as one that follows the right path in an honest & just manner*" (A.K. Tyagi, Chief Executive Officer, personal communications, Oct 21, 2005).

The second strategy adopted during negotiations was that *all meetings were held with all the workers and not just the Union leader. This was to ensure that there was no scope for miscommunication.*

Tyagi and two unit heads along with the management were involved in the negotiation process. *Thirteen to fourteen meetings were held with the entire labour community so that the communication was clear and each of the workers heard what the management had to say.*

In the first meeting the management made the announcement. They shared that they were incurring losses and so they had to close the unit as they had no other choice. They also committed in the very first meeting that they will give the workers the money due to them legally. "We told them that ABCL was an ethical organization and would continue to be so. Also, we knew that in first meeting they could digest just that much", says Tyagi.

In the second meeting, discussion on what were their legal rights was initiated. Both parties presented what they had found and understood of the process and demands. These discussions consumed four to five meetings before a mutual consensus was reached.

During this period, the labour went to government offices, sometimes created nuisance to harass the management, to ask for a rise of three times. *"Even if you are legally right it is important that you present your case" says Tyagi.* ABCL

management team made presentations to several authorities or entities such as the Labour commissioner, the DM office etc. Through these presentations the ABCL representatives made it clear that they were doing what was legally expected from them. “We told them that this is what your act says & we are giving compensation accordingly. Then if the labour approaches them, what could they do. If the Labour Commissioner is satisfied, then he tells the labour that they can’t help any more. The labour may approach the Administration - say the DM office – where also ABCL had already made presentations to clarify their stand” says Tyagi.

There were instances of harassment as well. Once the labour locked up the raw material at one of the depots. Since these were perishable goods the damage had to be controlled immediately. So ABCL sought help from the police to access it. “Sometimes one has to employ force to get the way” laments Tyagi.

One or two meetings followed where the labour demanded that they be given more than their legal rights. “So we gave atleast what was legally their rightful and in some cases more than is what was legally stipulated. These were on the spot decisions.”

Tyagi had been with ABCL since 1987 and the closure happened between 1998 to 2000. “Every one knew me and we were attached to each other. This helped in resolving the issues. Since the management was not asking us to carry out any unethical orders so it wasn’t very difficult.”

Once the terms were settled, the legal department came into picture. The job of management was over then. The legal department prepared papers and got them processed.

Making of a learning organization: Fortunately, there was no retrenchment at Rajpura though thinking & cultural change had to be ensured. It was important to get the employees to understand that they must think of the consumer demands. *The management therefore set out explaining to them not just the new routine but also the fact that those were not the end of the changes and the changes would keep on going happening.* So the need to keep themselves open to change was emphasized over and over again. Because of the closing down of the Gaziabad plant, a fear lingered – that if they do not adapt then the Rajpura plant could also meet the same fate. “It is sad but that made them adapt to change faster” (Ashwini Bajaj, personal communications, October 21, 2005).

New people were also recruited. These were professionals in their fields and that also brought in the desired cultural change.

The *Quality* department was separated from the R & D (new) department though they worked in tandem to develop team work. Later the Company also went in for ISO certification. Extensive training was given in ISO system to *document SOPs, all processes and procedures*. It involved training the employees on standard procedures, auditing the system and then retraining them to develop requisite skills. "ISO is not so much for quality as it is being used for knowledge management. It ensures that systems are followed and *processes are documented* and that auditing and monitoring is continuous" (Ashwini Bajaj, personal Communications, October 21, 2005)

The plant in Ghaziabad is highly automated and the systems are sealed. ABCL gets milk in tankers and the milk is checked against standards at the receiving point. Thereafter, the entire process is automated. Therefore training for quality of product was not a very major issue in Ghaziabad.

When ABCL started to supply dairy products to Mc Donalds, HACCP (Hazard Analysis and Critical Control Point) was introduced. *To implement HACCP management began talking to the employees. "We had to make them understand the advantages and the fact that Institutional buyers are big customers and their requirements had to be met."* In the Ghaziabad plant only 30-35 people were involved. The automated parts were not so difficult to handle. But getting people to record data was important". Extensive training was given. A technologist came down from UK and trained them. *Since most of the employees were graduates (there were only a few casual workers but they were not involved in the process) it was easier to communicate and make them see the benefit of the change implemented.*

Training is an ongoing process at ABCL. Training programs were organized atleast once in six months. Sometimes these were done by internal senior members. "Initially, there was a lot of inhibition in talking to anyone outside the company. The 'I know it all attitude' was there. Now, it is different. We are more open. We realize that we will learn more by exchanging ideas.

However, the HR department functions more like a personnel department. They are involved with unit heads in recruitment and in fulfilling of training needs. The company faces no retention issues.

Communication Technology: Promising a future

ABCL also extensively employed *technology to enhance communication and process flow* in the Company. *Internet and email were used extensively. LAN within the unit was set up (though different units are still not linked through satellite).*

At Rajpura, the products required an extensive distributor and depot system. The products moved from the factory to the depot to the distributor. Therefore, a SAP system was implemented. The factory and all the depots (around 35) were SAP enabled. ABCL aims to SAP enable all the distributors, spread in North India – Punjab, Haryana, UP, Rajasthan, Himachal, J&K, MP, Delhi.

“But SAP implementation took us a long time. We started using it but then there were issues. Since the flexibility level was very little it bound one to do things in time. If one person did not make a particular entry, several others were affected which on the surface was a constraint but in effect it was a good thing as it ensured accountability. It took us almost three years to really get grips on it”, says Ashwini Bajaj. “Implementation of SAP was the second real change that happened in the company, the first one being adapting oneself to change itself. Adapting to SAP was in effect adapting to discipline” he added.

SAP implementation was an investment of more than a crore rupees. “At that moment it was fully operational only in the edible oil unit because the need in this unit was higher. In other units the number of customers are not so many and hence the process of learning is relatively slow” acknowledged Ashwini Bajaj.

The process was indeed tedious. Despite their resolve, sometimes even the top management wondered whether they did the right thing to adopt it. However, acknowledged Ashwini Bajaj, it was definite that once it is operational it is a big boon for an organization that has many SAQs (the no. of variable units). for instance, ABCL is selling Vanaspati in polypack, in tins, in various sizes, at different pricing for different states and then different varieties of these products. Therefore, there is a big matrix which is to be managed. On the receiving end different kinds of oils, their timing especially because these are perishable items have to be managed. If you stock more in a depot from where the stuff is not getting lifted then the dead inventory is lost money as these are perishable products. ABCL did have manual systems but SAP enabling has made these more efficient and more accountable. However, the matrix is not so large for dairy products and hence SAP is not such an urgent need.

Firm action: Sending a strong message: “In India there is a general nature to take it easy. But the management has to make it clear where the buck stops, *that the excuses will not lead you anywhere. ABCL believes that it is important to be honest and blunt and to take firm action*”.

“For instance, if a person is supposed to deliver and I get to know from my customer that he/she has not done the job as desired, I would check. If that person is making ten excuses to wriggle out, I will tell him that that is not acceptable. I will also tell him that this was your last chance and next time it will not be accepted. We have set such examples in the company by taking stern action even to the extent of asking them to leave” confirms/ed Ashwini Bajaj.

Communication Technology issues: ABCL adopted a cautious approach to adopting technological changes. for instance, at ABCL one would not notice a computer every table. Even the MD’s desk didn’t have one! This is because ABCL installed terminals in common area (EDP department). These computers are time shared by people. “Whoever needs to work, goes to the terminal to do the job. If a person’s job is to feed data only for 15 minutes why does he need a separate terminal? for instance, at the entry gate a computer is provided to enter data and no internet facility is provided there. So data flows in but no more facility than that is available because the guy doesn’t need it. So we are conservative to that extent” (Ashwini Bajaj, personal communications, October 21, 2005)

ABCL is thus updating technology but the enhancement is need based. “*We also believe that it is good for people to move around. We encourage that as it builds team environment. If computers are provided at each point then people don ’t move and less interaction results*”.

In the Rajpura unit, each member in marketing department or accounts department has a terminal. However, in Ghaziabad marketing team is very small and we have few institutional customers so the marketing activity or distribution activity is very limited.

However, for edible oil, the sales executive is booking orders in the retail market, getting orders from retail shops - *so he is generating data which if sent to the office instantly, through handheld device with internet facility, will make the data more accurate and timely*. The sales executive is generating a lot of data on paper which reaches the office in about a weeks’ time. If that can be real time probably ABCL can benefit. *So ABCL is planning to give the communication facility to each sales*

executive. Thus, where ever there is a need, ABCL is adopting communication technology.

SMS technology is becoming a money earning system for many marketing oriented companies. ABCL is not using it currently. “However, we are thinking of how we can use this marketing activity where one does not incur much cost. Involving people in a gaming activity is a worthwhile proposition to consider as a business opportunity opened by *the current developments in communication technology.*

Feedback System: ABCL tried setting up *suggestion boxes* but it didn’t work. What they began to receive were ambiguous messages that had more to do with individual issues rather than work related issues. So they stopped paying any heed to the process.

Management Review meeting was held once a quarter and was a meet of the unit head, department head and if need be anyone else from the unit. We have divided all the functional issues of the company into various types

- Social
- Training
- New production
- R & D
- Quality
- Marketing feedback
- Personnel issues

which are reviewed and then recorded. *So all good things, issues, their remedies, responsibilities and timing are recorded and followed up in the next meeting.* Each point is coded so that no point is missed out.

Focus Groups: ABCL also initiated the process of *focus group meetings*. It has four focus groups to focus on issues related to plant parameters or standards to be met, quality issues, distribution issues and social accountability issues.

These groups meet once in 15 days or more. These are inter-functional groups from various levels.

Management Meetings: NK Bajaj Chairman and CMD and J K Khaitan MD (based in Chandigarh; took care of the business in Punjab – the Rajpura plant & the paper plant) Ashwini Bajaj managed the food division (dairy business), corporate

affairs (taxation and finance) and the real estate business. *The three met twice a month at top level to ensure coordination and overall direction for the company.*

Each unit had a professional unit head. *The MD reviewed each unit with their respective unit heads on an ongoing basis. The management talked to the unit heads and then to unit heads and departments together and then they in turn talked to the workers.*

The generic message is that honesty is a must and that change is inevitable and you better adapt it.

Analysis

Post 1991, when the Government of India initiated the process of change (liberalization) through policies such as de-licensing, varying import and export policies, concessions for promoting new players in the industry etc., ABCL failed to recognize the impact of these policies. In fact, it took its management almost ten years to realize that the policy changes had brought in a new reality and to survive in this new reality it was imperative for organizations to not just change but to adopt a culture that supports change on a continuous basis. The management's inertia to accept this new paradigm resulted in the downfall of the Company, to the extent that it turned sick. Thus, as suggested in Figure 3.1, the environment impacted the organization. However, owing to the blindness to impact of environmental changes, faulty managerial decisions were made that eventually led to the decline of ABCL. Thus, the case of the turnaround of ABCL supports the first stage of the theoretical model proposed in this study and given in Figure 3.1.

When the Company was sick, both external and internal stakeholders were exerting disabling forces on the sick organization. For instance, the government policies such as supporting new players through tax exemptions were putting ABCL to a disadvantage in an already competitive, low margin industry. The Banks doubted the financial credibility of a veteran client with good records! The customer (distributors) that used to 'queue up' vanished. On the other hand neither the promoters cum management nor the employees took an early initiative to give cognizance to the changing environment or the losses incurred by the Company, thereby exerting disabling forces on the sick Company. However, the case does not suggest that any disabling forces were exerted by the Industry Associations or NGOs or media or any other stakeholder. Thus, this case strongly supports the second stage of the theoretical framework given in Figure 3.2.

During the turnaround of ABCL, it was only when the management accepted the fact that the changed economic environment was a real time phenomena – there to stay, that the process of turnaround got initiated. Thereafter, it got down to the task of identifying the problems and the strategy to address the same. for instance, ABCL realized that it could not have the government policies changed and it was difficult for it to function in the then prevailing competition. It therefore decided to close down the unit at Ghaziabad. It also decided to shift focus to niche products and identify new markets for itself. Similarly, it identified objectives for interaction with the banks and despite all hindrances and rebuke invested persistent effort to achieve their objectives. This required repeated interactions at various levels and hence several communications actions (as tabulated in Framework 5.3). Well informed communication actions with various stakeholders thus enabled the turnaround elements that in turn ensured an organizational turnaround at ABCL. Thus, the turnaround of ABCL strongly supports stage 3 of the theoretical model given in Figure 3.3.

Framework 5.3

The Match between the CS for OTA framework and the communication strategy of ABCL during turnaround

		<div> <div>✕ No</div> <div>— Don't Know</div> <div>✓ Yes</div> <div>NEW - Newly Identify</div> </div>
Theoretical Pattern	Case Pattern	
Stakeholder/ Turnaround Element (objective)/ Possible Communication Action		
1. Board of Directors		
1.1. <i>Gain support and time in the future</i>		✕
1.1.1. Present detailed turn-around plan		✕
2. Staff and Workers		✓
2.1. <i>Credibility building actions by the new management</i>		✓
2.1.1. Document, and communicate a strategic turnaround plan		✕
2.1.2. Publicize success in resolving a current crisis or problem		✕
2.1.3. Make decisions transparent		✓
2.1.4. Exercise Communication Control		✓
2.2. <i>Initial Control</i>		✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts		—
2.2.2. Exercise Communication Control.		✓
2.2.3. Seek views on the general well being of the employees.		✕

2.3. Mobilization of organization for turnaround	✓
2.3.1. Include key managers for development of industry wisdom	—
2.3.2. Include only key managers for development of vision	✗
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✗
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✗
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✗
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✓
2.3.8. Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9. Share the pulpit (Empowerment)	✗
2.3.10. Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11. Note any comments or queries and provide answers asap.	✗
2.3.12. CEO must get out of the office to interact with the employees and to listen to them	✗
2.3.13. Employ open ended communication style that encourages employees to find answers, take decisions.	✗
2.3.14. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15. Articulate a few highly concrete targets for the company for the next few months	—
2.3.16. Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✗
2.3.17. Rephrase people's roles to clarify managerial responsibilities.	✗
2.3.18. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓
2.3.19. Publicize and celebrate every employee and team success.	✗
2.3.20. Exercise Control on Communication Technology	NEW
2.4. Internal Co-ordination	✓
2.4.1. Offer constant feedback to keep organization on track	✓
2.4.2. Set up co-ordination committees for co-ordinating interdependent departments	✓
2.4.3. Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓
2.4.4. Insist that lower level disputes be settled at that level on a face to face basis	✓
2.4.5. Keep the atmosphere light.	—

2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓
3. Unions		✓
3.1.	<i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	×
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	×
3.1.2.	Get them to suggest turnaround steps	×
3.1.3.	Seek support, concessions etc. from the unions	×
3.1.4.	Evolve jointly a broad turnaround strategy	×
3.1.5.	Keep unions posted on the progress of the turnaround	×
3.2.	<i>Managing retrenchment of a dying unit</i>	NEW
3.2.1.	<i>Address all the workers directly and together to avoid misunderstandings and rumours</i>	NEW
3.2.2.	<i>Quantity of information shared at a time should be controlled and based on capacity of recipients to absorb it</i>	NEW
3.2.3.	<i>Make it clear to the workers that the management would ensure a fair deal for them</i>	NEW
3.2.4.	<i>Let a manager who has dealt with workers and enjoys their goodwill handle the negotiations</i>	NEW
4. Banks and Financial Institutions		✓
4.1.	<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1.	Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓
4.1.2.	Get them to suggest turnaround steps	—
4.1.3.	Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4.	Evolve jointly a broad turnaround strategy	×
4.1.5.	Keep Banks and/or FIs posted on the progress of the turnaround	✓
5. Government		✓
5.1.	<i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1.	Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2.	Get them to suggest turnaround steps	✓
5.1.3.	Seek support, concessions etc. from the government	✓
5.1.4.	Evolve jointly a broad turnaround strategy	✓
5.1.5.	Keep the government posted on the progress of the turnaround	✓

5.2. <i>Managing retrenchment of dying unit</i>	NEW
5.2.1. <i>Proactively, keep all relevant government officials and departments, posted on the fair deal being offered to workers to be retrenched</i>	NEW
6. Suppliers	×
6.1. <i>Negotiation of support of suppliers and neutralization of Supplier's pressures</i>	×
6.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	×
6.1.2. Get suppliers to suggest turnaround steps	×
6.1.3. Seek support, concessions etc. from suppliers	×
6.1.4. Evolve jointly a broad turnaround strategy	×
6.1.5. Keep suppliers posted on the progress of the turnaround	×
7. Customers	✓
7.1. <i>Negotiation of support of customers and neutralization of Customer's pressures</i>	×
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	×
7.1.2. Get customers to suggest turnaround steps	×
7.1.3. Seek support, concessions etc. from customers	×
7.1.4. Evolve jointly a broad turnaround strategy	×
7.1.5. Keep customers posted on the progress of the turnaround	×
7.2. <i>Sourcing industry information for quick cost reduction</i>	✓
7.2.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.3. <i>Revenue Generation</i>	✓
7.3.1. Have much more focused advertising and promotion	✓
7.3.2. <i>Build Brand Image</i>	NEW

Validating the propositions

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.3 reveals that ABCL management addressed 8 (2.1, 2.2, 2.3, 2.4, 4.1, 5.1, 7.2, 7.3) of the 12 communication objectives but did not address 4 communication objectives (1.1, 3.1, 6.1, 7.1) listed in the theoretical framework proposed.

Thus, the turnaround of ABCL *supports Proposition P_{1A}* as it confirms that ABCL management addressed some (most) of the communication objectives given in the framework though not all.

***Proposition P_{1B}*: The list of communication objectives given in the proposed theoretical framework is comprehensive.**

Framework 5.3 reveals that ABCL management addressed 8 (2.1, 2.2, 2.3, 2.4, 4.1, 5.1, 7.2, 7.3) of the 12 communication objectives but did not address 4 communication objectives (1.1, 3.1, 6.1, 7.1) listed in the theoretical framework proposed.

It also indicates that there were 2 new communication objectives (3.2, 5.2) addressed by ABCL management during the turnaround and therefore the list of communication objectives proposed suggestive but not comprehensive. Therefore, the turnaround of ABCL *does not support Proposition P_{1B}*.

***Proposition P_{2A}*: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.**

Framework 5.3 reveals that ABCL management considered 5 of the 7 stakeholders listed in the proposed theoretical framework as critical.

It thus *supports Proposition P_{2A}*.

***Proposition P_{2B}*: The list of critical stakeholders to be addressed during a turnaround is comprehensive.**

Framework 5.3 reveals that ABCL management considered 5 of the 7 stakeholders listed in the proposed theoretical framework as critical. The 2 stakeholders not earmarked as critical in the table were Board of Directors and suppliers. This was because the group of promoters and the Board of Directors were largely overlapping. The promoters therefore played the central role of the top management in enabling the turnaround. As regards the suppliers, the ABCL management categorically mentioned that there were no issues faced with the suppliers (JC Rana, ABCL, email communications, 11 April 2006). Also, ABCL management addressed no stakeholder other than those listed in the proposed theoretical framework.

Thus, it is noted that the list of critical stakeholders given in the proposed framework was found to be comprehensive. The turnaround of ABCL thus *support Proposition P_{2B}*.

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Framework 5.3 reveals that, of the 8 communication objectives given in the theoretical framework and addressed by ABCL management to deal with the 5 critical stakeholders, the company employed at least one communication action to achieve the corresponding communication objective.

Thus, for the turnaround of ABCL at least one of the communication actions listed was adopted to address corresponding communication objective. Thus it *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is not comprehensive

Framework 5.3 reveals that the ABCL management adopted 28 communication actions, did adopt 27 communication actions and did not provide information on 5 communication actions listed in the proposed theoretical framework. It also indicates that 7 new communication actions (2.3.20 - *Exercise Control on Communication Technology*, 7.3.2 – *Build Brand Image*; 3.2.1, 3.2.2, 3.2.3, 3.2.4, 5.2.1) were adopted by the ABCL management during the turnaround of ABCL.

Thus, turnaround of ABCL *does not supports Proposition P_{3B}* as it indicates that the list of recommended communication actions given in the proposed theoretical framework is not comprehensive.

Case 4

VEGETABLE PRODUCTS LTD.

Deciphering Communication during Turnaround

Background

Vegetables Products Ltd was established in 1946. It set up a facility for the production of hydrogenated oil, popularly called *vanaspati* in the local Indian language, at *Kolkata*, the capital of West Bengal state in India. It was promoted by the Tania group till 1995. However, by 1994 the company had begun incurring losses, was declared a sick company and referred to the *BIFR*³⁸. In 1995-96, the current management bought it from the Tania group and took upon itself the task of reviving the ailing Company.

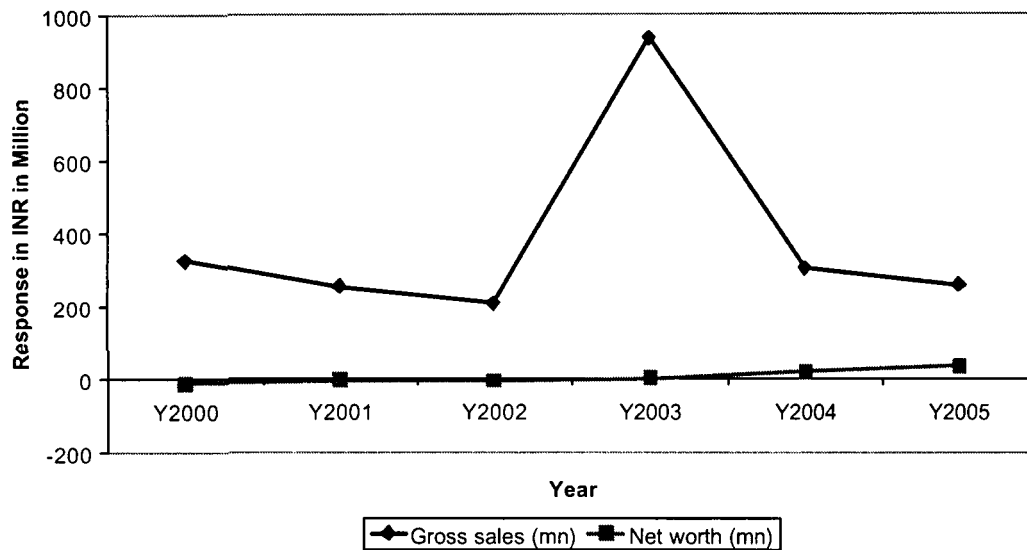
The financial data of the Company reveals that the networth of the company declined from INR -4.2mn in 2001 to INR -5.58 mn in 2002. It then turned around in year 2002 when its networth became INR 2 mn. By 2004 its networth was declared to be 33.9 mn (See Chart 5.4.1)

Table 5.4.1: Performance of VPL during 2000-2005; turnaround in 2003

<i>Vegetable Products Ltd.</i>						
	2000	2001	2002	2003	2004	2005
Gross sales (in mn)	324	254	208	935	303	260
Net worth (in mn)	-12	-4.2	-5.8	1.8	18.5	33.9

³⁸ Board for Industrial and Financial Reconstruction

Chart 5.4.1: Performance of VPL during 2000-2005; turnaround in 2003
Vegetable Products Ltd.



Unraveling the Turnaround

When the new management took charge of the company it was faced with many challenges – external and internal.

External Issues

The changing government policies: In 1991 the Indian government took the historical decision of liberalizing the Indian economy and what followed were a series of policy changes to transform a closed economy into an open economy. The edible oil industry also witnessed its share of changed policies. The government abolished the licensing policy that controlled the entry of companies into the industry. “To further support the capacity building process, it announced a 9% tax exemption to new units for a span of 10 years. 9% was a major rebate in the edible oil sector as the commodity product offered just 2% margin to the producers”. (DS Jain, personal communications, December 14, 2005).

The crude oil, raw material for *vanaspati* industry, available from the domestic sources was in short supply as compared to the demand. Indian companies therefore had to import the raw material. The custom duty on various crude edible oil except Soyabean Oil was raised. (See Annexure 3) “However, in Sri Lanka and Nepal import of oil was duty free. These companies were exporting *Vanaspati* to India and naturally we could not compete with them. We have now represented our case to the PM also” (DS Jain, personal communications, December 14, 2005). Thus, it became

very difficult for the old players of the industry to compete with the new units. Several companies such as Shwaija, United Vegetables, Kusum Company and HLL closed down during that period. VPL was also declared sick.

The West Bengal Government, however, through the BIFR, offered assistance in several ways, to the sick Companies attempting to revive. VPL which was also referred to BIFR thus looked forward to avail the assistance so as to make faster recovery.

Banker's Issues: Getting concessions: In 1994, when VPL was referred to BIFR, it owed INR 35 mn to the Banks. Their *major objective of interaction with the Banks was to get a waive off on dues*, as much as possible.

Customer Issues: finding a space: The customers in case of VPL were shop keepers. While quality was extremely important for some institutional customers like biscuit manufacturers, for shopkeepers who were the major chunk of customers, cost effectiveness and timely supply were extremely important elements in customer retention.

Since, the *Vanaspati* manufacturers of India were unable to compete in cost competitiveness with suppliers from Nepal and Sri Lanka, relationship building with the shop keepers was therefore very important for survival.

Suppliers: the import duty levy – a heavy duty: There were four types of suppliers that the Company had – suppliers of crude edible oil, packing material, machines and machine parts. Oil constituted 80% and packing materials another 10% of the cost of regular supplies. However, it was most difficult to procure the oil. On one hand it was expensive and on the other hand it was not given on credit unless there was a personal guarantee or a third party guarantee. This was because the margins were very low. There was, therefore, a need for promoters/ management to build relationship with the suppliers as well.

Other Stakeholders: The two major industry associations are *Vanaspati* Manufacturing Association of India (VMA) and Indian *Vanaspati* Producers Association, Delhi (IVPA). Their task was to negotiate with the Government on behalf of the industry. Local VMA represents the eastern zone. While VPL directors were members of both the Associations, the Association's role was not important for reviving the Company. Also the management felt no need for communication with the media or public at large.

Internal Issues

Shareholders: Since VPL was a sick Company, the promoters brought in equity and acquired 90% shares of the Company. Thus, the main promoters were themselves managing the new company. The objective of communication with other shareholders was to maintain transparency to let them see how the Company was reviving.

Employee Issues: The new management at VPL felt that the company was overstaffed and, therefore, it decided to cut down the manpower. This had to be handled carefully, considering that they were functioning in *West Bengal*³⁹.

Besides retrenchment, there were also times when the Company was unable to give the employees the same incentives as given in good times or was offering a smaller pay package or was unable to offer increments for a few years. Under such circumstances it was important to motivate the workers to keep working for the Company.

Since those were times of financial crisis for the company, wastage had to be curtailed. There was need to ensure minimum cost and highest efficiency. They also wanted to emphasize the need for quality products.

External Communications at VPL

VPL management decided not to appoint any advisor for government interactions. *They preferred to maintain a direct contact as it enabled faster and flexible decision making and it was felt that every delay was a loss that an already sick Company could not afford.*

“The Government has to be sure that the Company is actually attempting to revive itself. for instance, if the Company has 100 employees on rolls and keeps paying salaries for over an year, there is a positive indication that a sincere effort is being made. Once that is clear to them, they are eager to help” (DS Jain, personal communications December 14, 2005).

VPL management ranks its relationship as successful as it was able to get several concessions such as electricity subsidy, sales tax exemption and assistance even in labour settlement.

³⁹ Since the independence of India in 1947, West Bengal had always elected a communist government that supported the unions in accordance with the communist philosophy

DS Jain and Goenka personally interacted with the Bankers and their Board (United Bank of India). Project Reports had to be submitted while there were ongoing discussions through personal meetings practically every day.

“The Bank waived off the penal interest from the total amount of INR 35 mn and a settlement of returning INR 18.5 mn over a period of 18 months was finalized” (Goenka, Director VPL, personal communications, December 14, 2005). “We have never taken a loan thereafter and believe that if the fund supply is short, the management is always more careful as it cannot afford to make wrong investments” (DS Jain, Personal communications, December 14, 2005).

Customers: The customers of *vanaspati* ranged from shopkeepers to bakeries and institutional customers such as HLL, Britannia etc. DS Jain revealed that while shopkeepers and institutional buyers were obvious customers targeted by any *vanaspati* manufacturers, small biscuit manufacturers (bakeries) were an ignored or less obvious customer. VPL realized that these small bakeries put together were a huge untapped market and it therefore focused the promotion of its products towards this market segment. It also kept the costs competitive and supplies timely.

In times of crises its management maintained that the shop keeper/ small bakery had less capacity to absorb losses and therefore they were considerate in dealing with them. Thus, they were ready to bear losses and protect the shop keepers’ interests to develop long term relationships.

DS Jain a veteran from the industry enjoyed a reputation of being a knowledgeable practitioner and he took the task of relationship building upon himself. *“Many times when the customer is puzzled by business intricacies, a fair and intelligent advice, helps them come through difficult times and at times even helps them earn better money. This requires investing time to develop a trust between the supplier and the customer, who then perceive each other as true friends. The message was that we are with them in good times and bad times and we sought their interest always”* (DS Jain, personal communications, December 14, 2005).

Supplier Relations: The philosophy that VPL management maintained was that, *‘keeping one’s word was extremely important in trade’*. *“This enables one to earn word guarantee for no one wishes to take the matters to the court. It is also very important to be transparent. In case there is a problem it is best to let the supplier know it rather than camouflage the real situation. This is mutual. So, when others come to us in their difficult times we do render assistance”* (DS Jain, personal

communications, December 14, 2005). The message was of genuineness and in case of VPL the reputation of the promoters helped.

Internal Communications at VPL

Shareholder: VPL was progressing slowly. *Quarterly results were published and circulated. The AGM was held most of the times at the factory so that the shareholders could see for themselves the progress happening. “While the number of shareholders were small (7 /8), the questions raised were valid and informed. Some times the suggestions were valuable and taken note of”* (DS Jain, personal communications, December 14, 2005).

Retrenchment, motivation and reduction of wastages: VPL had to reduce the manpower employed in the Company. A strategic decision to close soap manufacturing was taken. This brought down the strength by 40 heads. *“Some more workers retired. Some were asked to leave and the strength was brought down from 286 to 110 workers”* (DS Jain, personal communications, December 14, 2005). The closing of the soap manufacturing unit sent a message that little salary was better than no salary at all.

All members of the management were involved in the process. There were talks with the union leader and also with Shanti Ghatak, the MLA and Labour Minister from their constituency. Since DS Jain was an advocate with extensive experience of vanaspati industry, he was personally involved in explaining the situation to the Govt, union leader and the workers.

Since the workers had already suffered due to closure of the soap manufacturing unit, it was easier to tell them that the management was solving their problems by making the Company run under such circumstances.

Members of the erstwhile management of VPL began to pull out money from the Company. However, when the new management took over, the process of investment began. By that time the Company had to pay heavy debt to the Bank and the workers. The new management began investing money in the Company to the extent that whatever money the company earned thereafter was sown in the company itself and the Directors took no remuneration for a long time. Also, since the Company was sick the workers needed sympathy. *This required a lot of talking. The action and the talking put together, motivated the workers to participate in the turnaround process.*

Ensuring Quality: VPL believed in quality and honesty and thus they ensured that proper quantity & quality was supplied. They were selected by HLL to supply to them the vanaspati oil which HLL sold under the *Dalda*⁴⁰ brand name.

Reduce Wastage and inefficiency: For a sick Company, *communication is all the more important because the Company cannot withstand any losses due to a communication gap. So fast decisions enabled by continuous and extensive communication were essential. VPL management was a close knit team that had regular meetings but no formal communication strategy as such. Besides, it believed in direct communication for better management of labour and employed least via medias.*

Communication Technologies: Phone calls and emails had replaced the letters. The Company set up a LAN to facilitate smooth working between the factory and the office. Mobile phones were provided to employees on a need basis. To curtail the costs, prepaid cards were provided. SMS was not very extensively employed.

It was important to note that even if emails had extensively replaced the letters, in *Government communication, it was important to supplement emails with letters supported by signed receipts from officers in charge. "This is so because the officers in charge keep moving between the posts and hence it is important to maintain your own correspondence records"* (DS Jain, personal communications, December 14, 2005).

Analysis

VPL declined to sickness owing to changes in the environment (government policies). It is not clear whether the erstwhile management like the management of Amrit Banaspati did not respond to the changes in the environment or whether it did attempt to change but failed. In either case the company turned sick as a result of the environmental changes. Thus, the case of the turnaround of VPL supports the first stage of the theoretical model given in Figure 3.1.

The external stakeholders, namely, government, suppliers and customers were all exerting disabling forces on the sick organizations. The unfriendly policies for old *vanaspati* producers, the shortage of raw material and the customer with a variety of options were all contributing to the creation of a tough environment. An over staffed organization, indulging in wastages and low on motivation was again exerting

⁴⁰ Dalda was a well entrenched brand, a household name to the extent that was used as a synonym for vanaspati

disabling forces on the sick company. Thus, the case supports the second stage of the model as given in Figure 3.2.

The case supports the third stage of the proposed theoretical model as the turnaround was initiated only when the new management assumed the central role of enabling a turnaround. It then identified the essential turnaround elements such as restoration of financial stability, retrenchment, reduction of wastages etc and achieved these through informed communication actions such as interactions direct personal, rendering free advice, presenting factual reports etc. Thus, the case supports the third stage of the theoretical model suggested. The communication actions undertaken by the VPL management in enabling the essential elements of turnaround are tabulated in the table given below:

Framework 5.4

The Match between the CS for OTA framework and the communication strategy of VPL during turnaround

		<div> <div>✗ No</div> <div>— Don't Know</div> <div>✓ Yes</div> <div>NEW - Newly Identify</div> </div>
Theoretical Pattern	Case Pattern	
Stakeholder/ Turnaround Element (objective)/		
Possible Communication Action		
1. Board of Directors		✗
1.1. <i>Gain support and time in the future</i>		✗
1.1.1. Present detailed turn-around plan		✗
2. Staff and Workers		✓
2.1. <i>Credibility building actions by the new management</i>		✓
2.1.1. Document, and communicate a strategic turnaround plan		✗
2.1.2. Publicize success in resolving a current crisis or problem		✗
2.1.3. Make decisions transparent		✓
2.1.4. Exercise Communication Control		✓
2.2. <i>Initial Control</i>		✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts		—
2.2.2. Exercise Communication Control.		—
2.2.3. Seek views on the general well being of the employees (informally-new)		✓
2.3. <i>Mobilization of organization for turnaround</i>		✓
2.3.1. Include key managers for development of industry wisdom		—

2.3.2.	Include only key managers for development of vision	×
2.3.3.	CEO should deliver the vision presentation in person and as often as possible.	×
2.3.4.	Hold special sessions for non-participating managers after vision has been developed to share planned vision	×
2.3.5.	Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6.	Listen to the views of all managers. Gauge their reaction	×
2.3.7.	Understand perceptions and focus minds of managing team. Set the scene for turnaround.	×
2.3.8.	Ensure all employees know what is going on, for what reason and how it will occur.	×
2.3.9.	Share the pulpit (Empowerment)	×
2.3.10.	Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11.	Note any comments or queries and provide answers asap.	✓
2.3.12.	CEO must get out of the office to interact with the employees and to listen to them	×
2.3.13.	Employ open ended communication style that encourages employees to find answers, take decisions.	×
2.3.14.	Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	×
2.3.15.	Articulate a few highly concrete targets for the company for the next few months	—
2.3.16.	Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	×
2.3.17.	Rephrase people's roles to clarify managerial responsibilities.	×
2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓
2.3.19.	Publicize and celebrate every employee and team success.	×
2.4.	Internal Co-ordination	✓
2.4.1.	Offer constant feedback to keep organization on track	✓
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	×
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	—
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	—
2.4.5.	Keep the atmosphere light.	—
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓

3. Unions	✓
3.1. <i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	✓
3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2. Get them to suggest turnaround steps	✓
3.1.3. Seek support, concessions etc. from the unions	✓
3.1.4. Evolve jointly a broad turnaround strategy	✗
3.1.5. Keep unions posted on the progress of the turnaround	✗
4. Banks and Financial Institutions	✓
4.1. <i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓
4.1.2. Get them to suggest turnaround steps	—
4.1.3. Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4. Evolve jointly a broad turnaround strategy	—
4.1.5. Keep Banks and/or FIs posted on the progress of the turnaround	✓
4.1.6. <i>Requires personal interaction of promoter/ top management with Bank senior officials</i>	NEW
5. Government	✓
5.1. <i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2. Get them to suggest turnaround steps	—
5.1.3. Seek support, concessions etc. from the government	✓
5.1.4. Evolve jointly a broad turnaround strategy	—
5.1.5. Keep the government posted on the progress of the turnaround	✓
5.1.6. <i>Maintain direct contact; avoid via medias or advisors</i>	NEW
6. Suppliers	✓
6.1. <i>Negotiation of support of suppliers and neutralization of Supplier's pressures</i>	✓
6.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	—
6.1.2. Get suppliers to suggest turnaround steps	✗
6.1.3. Seek support, concessions etc. from suppliers	✓
6.1.4. Evolve jointly a broad turnaround strategy	✗
6.1.5. Keep suppliers posted on the progress of the turnaround	✗

6.2. <i>Build Credibility</i>	
6.2.1. <i>Always keep your word</i>	<i>New</i>
7. Customers	✓
7.1. <i>Negotiation of support of customers and neutralization of Customer's pressures</i>	✓
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	×
7.1.2. Get customers to suggest turnaround steps	×
7.1.3. Seek support, concessions etc. from customers	×
7.1.4. Evolve jointly a broad turnaround strategy	×
7.1.5. Keep customers posted on the progress of the turnaround	✓
7.1.6. <i>Offer support, concessions etc. to the customer</i>	<i>NEW</i>
7.1.7. <i>Offer advice or assistance in their times of crisis Assume the role of a consultant</i>	<i>NEW</i>
7.2. <i>Sourcing industry information for quick cost reduction</i>	×
7.2.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	×
7.3. <i>Revenue Generation</i>	✓
7.3.1. Unfocused advertising and promotion be more sharply focused	✓
7.3.2. <i>Build Brand Image</i>	<i>NEW</i>

Validating the propositions

Proposition P_{1A}: Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.4 indicates that VPL management addressed 9 (2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.1); and did not address 3 (1.1, 7.2, 7.3) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the turnaround of VPL indicates that VPL addressed some of the list of objectives given in the proposed framework but not all. It thus ***supports Proposition P_{1A}***.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

Framework 5.4 indicates that VPL management addressed 9 (2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.1); and did not address 3 (1.1, 7.2, 7.3) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, for the turnaround of VPL, the list of communication objectives listed in the framework is not just suggestive, it is rather comprehensive. It thus *supports Proposition P_{1B}*.

***Proposition P_{2A}*: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.**

Framework 5.4 indicates that the VPL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of VPL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same.

It thus *supports Proposition P_{2A}*.

***Proposition P_{2B}*: The list of critical stakeholders to be addressed during a turnaround is comprehensive.**

Framework 5.4 indicates that the VPL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of VPL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same.

Thus, for turnaround of VPL the list of critical stakeholders was comprehensive. It thus *supports the Proposition P_{2B}*

***Proposition P_{3A}*: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.**

Framework 5.4 indicates that for each of the 9 communication objectives addressed by VPL management atleast one communication action was employed by the VPL management during turnaround. However, it also indicates 6 new communication actions (4.1.6, 5.1.6, 6.1.6, 7.1.6, 7.1.7, 7.3.2) adopted by VPL management for the addressing these 9 communication objectives during turnaround. The other 3 communication objectives (1.1, 7.2, 7.3) listed in the proposed theoretical framework have not been addressed by VPL management and hence communication actions suggested thereof have not been employed.

Thus, the turnaround of VPL indicates that it employed atleast one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.4 indicates that VPL management adopted 21 communication actions; did not adopt 20 communication actions; and did not provide information on 19 communication actions of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that VPL management employed 6 new communication actions (4.1.6, 5.1.6, 6.1.6, 7.1.6, 7.1.7, 7.3.2). These actions were not listed in the theoretical framework proposed.

The turnaround of VPL thus suggests that the list of communication actions given in the theoretical framework proposed is not comprehensive. It thus *does not support Proposition P_{3B}*.

Case 5

HOWRAH MILLS CO. LTD.

Deciphering Communication during turnaround

Background

The jute industry is one of the oldest traditional industries in India. It consists of 73 composite jute mills, 59 of them are located in West Bengal. This is an installed capacity of around 19.5 lakh metric tonnes per annum, a large part of which remains unutilized due to a mismatch between demand and supply.

This industry is beset with many problems, including competition from the synthetic sector, high labour cost and obsolescence of machinery and uneconomic working. These factors have led to large-scale sickness in the industry.

One of the older Companies of jute in Kolkata is Howrah Mills Co. Ltd. (HMCL). It was established by the Jardine Henderson Group in 1825 at Kolkata, the capital of West Bengal state of India. It manufactures jute goods like Hessian cloth, Hessian bag, sacking, jute yarn and now food grade products. HMCL, like many other jute mills in the industry, became a sick unit in the year 1987. OP Mall, a supplier to the company, decided to takeover the Company. "Perhaps I had no choice but to take it over because they had to pay my dues worth INR 10 mn. If I would not have recovered that money, I would have been doomed. Since, I had revived several sick companies in the past, I was confident that I would be able to revive this Company as well." (OP Mall, personal communications, December 15, 2005).

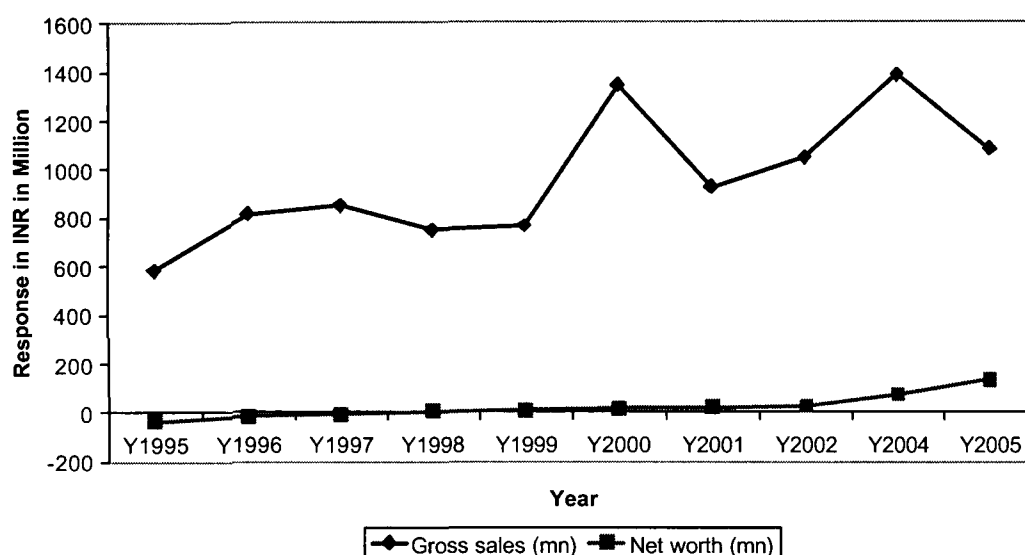
The new management took charge of turning around the Company. In 1998, the networth of HMCL turned positive and has since been improving consistently (See Table 5.5.1, Chart 5.5.1)

Table 5.5.1 : Performance of HMCL during 1995-2005; turnaround in 1997

<i>Howrah Mills Co. Ltd.</i>										
	1995	1996	1997	1998	1999	2000	2001	2002	2004	2005
Gross sales (in mn)	582	817	852	748	766	1345	928	1048	1386	1083
Net worth (in mn)	-34	-15	-8	4	9	16	21	26	74	135

Chart 5.5.1: Performance of HMCL during 1995-2005; turnaround in 1997

Howrah Mills Co. Ltd.



Unraveling the turn around

The sick unit of HMCL was faced with a host of issues

Internal Issues

Labour Relations: The labour relations at HMCL had deteriorated. The productivity was low and there was lack of trust in the management. The irregularity in labour payments pertaining to worker's ESI (Employee Security Insurance), PF and gratuity amounted to INR 150 mn. Naturally, the workforce was de-motivated.

Excerpt from Minutes of the meeting held on 5.10.97 at 11.30 am

Jb Abbas Ali, in his address said that:-

- 1) Management should make arrangement for enhanced canteen facilities while introducing straight shift duty in the mills.

Excerpt from Minutes of the meeting held on 3.08.97 at 11.00 am

- 1) Jn Abbas:When the trend for output is good, suddenly there is a change in the quality of fabric which affects production. He said, if the quality of jute is good, it does not necessarily mean that the sliver/ yarn will also be good.....

External Issues

Bankers: The bank had lost confidence in the previous promoters. A balance of INR 50 mn was due to the SBI and some suppliers.

Customers: “Our predecessor, the *Jardine Henderson Company* was a well established name in the industry. They owned four to five mills and maintained a very high quality. When the new management took over, the market was watching carefully to see whether the new management will be able to maintain the quality or not. It was, therefore, critical for the new management to produce quality products and ensure timely delivery to retain the reputation earned by the company in the past.” (OP Mall, personal communications, December 15, 2005)

Government: In the Indian jute industry a mill has very little direct interaction with the customer. The produce is bought by the Government or by the Brokers except in case of sugar bags. The Government buys through the Jute Commissioners office. This office allots quota according to the capacity of the mill. (Jute Packaging Materials Act, 1987). 40% of the HMCL’s purchases were done by the Government. Thus, it was important to keep the government informed especially on regulatory concerns.

Since HMCL was a sick unit referred to BIFR, it was important to ensure appropriate communication and coordination with it to get the benefits that HMCL could get.

Suppliers: The company had irregularities in supplier payments that had to be sorted out. It was also important for it to get good quality supplies in time and to get adequate credit when need be. “There was thus a need to build a confidence that the new management will be fair in its dealings and all payments will be made in time.” (OP Mall, personal communications, December 15, 2005)

Industry Associations: HMCL management maintained that since Industry Associations presented the industry’s views to the Government Departments, participation in its activities enables one to share one’s problems and understand the Government’s view point.

“These Associations are also a source of useful information such as monthly production achieved by other Companies, Government regulations and any other industrial information. Besides, they can help upgrade technology and adopt best practices from the industry.” (OP Mall, personal communications, December 15, 2005)

Internal Strategy

Exhibit

JK Jute Udyog Kanpur was using one worker for 4 looms of size 32" (Reed Space). However, at Howrah Mills, one worked on two looms of 37 1/2". The MD then visited Kanpur and came back with the experience that he shared with the union. A group of representatives of unions alongwith management representatives visited Kanpur to actually see the process up and running. Thereafter, it was easier to share experiences, train and make one worker agree to run 4 looms. Whatever machine upgradation was required was affected immediately. The production doubled as a result and cost of production came down drastically.

Employees

Exercise Communication Control: Win the Trust: "I have revived 5 sick Companies and I can say with my experience that trust in employees is at the core of managing a Company. You have to win their trust and they must know that you are not cheating them. This is important because whenever you run into losses, the first pay off is from workers' dues. A Company pays direct wages & indirect wages keep getting accumulated. The bankers and other stakeholders are affected much later. As a result, a management tends to over commit to the workers to gain their confidence". (OP Mall, personal communications, December 15, 2005) Mall strongly warned a turnaround management about making commitments that cannot be kept and insisted that it was more important to be able to live by the commitments made to gain the trust.

Introduce transparency in decisions: Earn credibility: *HMCL management considered communication with workers to be an extremely important element in the process of turnaround.* It believed that a Company must let the workers know the true picture of where the management and product market stands. "If you are not transparent then they are not cooperative. They have their own feelings." (OP Mal, personal communications, December 15, 2005). **Transparency** was thus considered at the core of the turnaround process and HMCL management claims that labour forces become cooperative instead of being adverse. for instance, Employee Welfare Manager took care of problems of the workers. He assisted them in understanding what ESI or other benefits they were entitled to. He offered assistance in matters such as school admissions or other family related issues. He was also responsible for

ensuring that labour utilities were properly maintained, food in the canteen was a decent quality etc.

HMCL constituted a committee of workers, plant management & office management to enable smooth communication between each group for transparency and smooth planning. This committee set targets for production & payment schedules, to pay off old liabilities. They met on a monthly basis to check where they had defaulted and took corrective actions. From Sept. 1987-88 to 1990-91 the committee met on a monthly basis. Thereafter, the frequency was reduced to a quarterly and the Company continued to follow that schedule. Minutes of each of these meetings were documented.

The objective was to inform the employees of the actual condition of the Company. This meant informing them of the cost of production in comparison with others in the industry, also laying bare before them the shortcomings. This was done on a quarterly basis. The idea was that instead of the employees telling the management, what had not been done, the management took the initiative to own up what had not been done. Thereafter, the employees were asked to submit suggestions for remedies. The objective was to gain trust, cooperation and involvement.

The Message: *The message that HMCL management wanted to communicate to the employees was that the Company was fair in its dealing and it actually removed any doubts that might cloud the workers' mind. "This was to avoid misconceptions, which only create problems".*

Another message that the HMCL management wanted to deliver was that all must accept the reality of the Company and the industry. Then a fair process be developed for improvement. It had to be understood that "the worker is married to the organization while the management is not. The management can sell the Company assets and walk out any day. However, the worker has to earn his wages from the Company. Their bond is unbreakable" (OP Mall, personal communications, December 15, 2005)

The HRD President H Hazra alongwith the Works President S Basu managed the 4000 employees of HMCL. They regularly interacted with the union leaders of the three unions and with the floor (department) leader from each floor. The MD also met them twice in a year, once in January and then before Pooja time.

"Today's' workers are smart, whereas underestimate them. Through their contacts and colleagues they do have the initial information. Due to increased communication

they are so much more educated’ says OP Mall. *The Howrah management considered this a positive shift and went a step ahead to organize seminars and conferences and invite professionals from industry to tell them of the latest developments & trends in operations, material handling and labour relations. Senior people from Industry and Government department were invited to educate the employees on ESI, PF and other benefits that they can get. Sessions on ‘how the production on machines can be improved,’ were also held.*

Thus, the workers were educated through seminars and conferences. The frequency then was three times in a year and now is once in a year. Then there were regular meetings between the management representatives and the union and floor leaders.

Thus, HMCL began the process of turnaround by strengthening its HRD and making all aspects of salary and other dues to labour, known to them. The management lay bare before the workforce all the pending accounts and constituted a body to monitor reduction of dues on a month to month basis keeping the financial results of the Company in mind. “We faced problems for an year or so but ultimately the workers accepted that the management was not hiding anything. So the workers started cooperating resulting in reduction of cost of production.” (OP Mall, personal communications, December 15, 2005)

“Save one strike industry wide that lasted from 10 days to 1 month, the Company has lost only 3 man days” claims OP Mall proudly.

Communications Technology Interventions: *Mobile phones have been provided to employees at all levels from a Sardar to the MD. This tool has infact become an essential commodity for smooth running of the day-to-day business activity. “The impact is so much that we feel that one person can now do the job of three persons – thanks to the mobile phone technology” says OP Mall. SMS is not yet used to a large extent.*

In 2003, much after the turnaround period as defined for this study, HMCL set up a LAN in the Company and this development has improved coordination between the Mill and the office. The export and accounts department are connected to internet through a broadband connection. The Company has not installed any ERP packages in the Company

External Strategy

Bankers: The new management of HMCL regularized the bank account as soon as it took it over. Since the Company was with a new management and the management had cleared all the dues, had a track record of reviving sick companies and was in the process of doing so at Howrah Mills also, it regained the trust of the bank on the changed management of the Company. The management thereafter graded the Bankers to renegotiate the terms with the Banks to get better rate of interest and more funds. “We brought in promoters’ equity to settle the bank credits and then began negotiation for operating funds” (OP Mall, personal communications, December 15, 2005)

Once or twice in an year the MD met the senior management in the Banks. The Financial Director handled the tasks day-to-day and interacted with the Chief Manager of the Bank. These were personal interactions on a day-to-day basis. Two types of reports including Term Loan (Full project report) and WC report were submitted. The latter included Working projections and justification for increasing the WC required. Mall considers HMCL interactions with the bank are very successful. “For instance, the loan that we got initially was INR 15 mn which has increased to INR 90 mn later.” (OP Mall, personal communications, December 15, 2005)

Government: *HMCL kept the Labour Department of the Govt. informed of any developments. “Whenever there were any updates of machines and we had to regularize the work force we kept Government in the loop”. (OP Mall, personal communications, December 15, 2006). Also, for issues pertaining to excise, pollution and the likes we kept the Government informed.*

Supplier: Since the supplier morale was very low, HMCL settled some accounts by down payment and some through installments on new terms and conditions such as reduced credit limit of 3 months as against 12 months.

Mall’s younger brother, managed the purchase department. “Since he was related to the MD the suppliers would trust his word more than they would have trusted anyone else doing the job” says OP Mall. As mentioned earlier, there was need to build credibility and the management believed that payments speak for themselves.

In the jute industry, the prices of the raw jute fluctuate on a daily basis. The company, therefore, regularly followed rates published by the East India Jute & Hessian Exchange Ltd.

Industry Associations: Initially, the MD OP Mall handled the interaction with industry associations. He was an active member of various committees such as the Government's production development department etc. However, later the CEO Sanjay Mall began dealing with them and is now on committees such as the Export Promotion committee.

International Agencies: Sometimes, the International agencies as mentioned earlier gave opportunities for development by installing two to three machines and allowing Companies to experiment, develop a process and then either sell to the Company or if they so desire sell to anyone else. HMCL got a yarn processing machine in 1992 under a similar scheme. This, says Mall, was enabled through the industry associations.

Customer: It was important for the new management to maintain the quality and timely delivery to retain the reputation earned by the Company in the past. The marketing department managed the sales. Sanjay Mall, son of the MD and CEO of the Company handled the exports. *Tools such as brochures, websites and internet communications were used extensively to promote sales.*

Shareholders: Since the share holding with shareholders other than the promoters was little, this was not a great concern. However HMCL wanted the shareholders to have patience as the new management brought the Company out of red.

The only communication that happened was during the AGM and through the Annual Report. The share holders would come, share their views (suggestions) and gain the confidence through the discussion that HMCL would come through soon.

Analysis

The case of the turnaround of Howrah Mills Company Ltd. supports the first stage of the theoretical framework proposed in this study. While the new management did not elaborate on reasons of sickness of HMCL, a study of the jute industry in that period reveals that various external changes such as preference to synthetic fibre posed major competition to jute industry. This coupled with other factors such as obsolescence of machinery and uneconomical economies of scale rendered companies in this industry sick. Mall in one of his personal communications also mentioned that the company Jardine Henderson had decided to quit operations in India and, therefore, lost interest in the Company. Thus it is obvious that both – environment and wrong/faulty managerial decisions owing to disinterested

management resulted in the downfall of HMCL. Thus, the case supports stage 1 of the theoretical model proposed in the study and given in Figure 3.1.

The case also supports the second stage of the theoretical framework that suggests that enabling or disabling forces are exerted by different stakeholders on the sick company. In case of HMCL, the internal stakeholders, namely, the workers had not received their salary and other dues for a very long time. A demotivated workforce that had lost trust on the management exerted disabling force on the sick HMCL unit. The banks, financial institutions and also the suppliers had lost trust in HMCL. Thus disabling forces were getting exerted on the sick HMCL.

The case strongly supports the third stage of the communication framework as the turnaround was initiated only when the management assumed a central role in the process. It took charge and immediately enabled turnaround elements such as credibility building, initial control, mobilization of organization, coordination, negotiations etc. To enable these elements the Company employed several communication strategies and actions such as sharing the vision, bringing transparency in decision making, spreading awareness, organizing meetings and sessions, exercising communication control, listening to all employees etc. as tabulated in the table given below. Thus the case of the turnaround of HMCL strongly supports the third stage of the proposed model of communication.

Framework 5.5

The Match between the CS for OTA framework and the communication strategy of HMCL during turnaround

		✗ No	— Don't Know	✓ Yes	NEW - Newly Identify
Theoretical Pattern		Case Pattern			
Stakeholder/ Turnaround Element (objective)/					
Possible Communication Action					
1. Board of Directors/ Shareholders					✗
1.1. Gain support and time in the future					✗
1.1.1. Present detailed turn-around plan					—
2. Staff and Employees					✓
2.1. Credibility building actions by the new management					✓
2.1.1. Document, and communicate a strategic turnaround plan					✓
2.1.2. Publicize success in resolving a current crisis or problem					—
2.1.3. Make decisions transparent					✓

2.1.4. Exercise Communication Control (control on promises rolled out)	✓
2.2. Initial Control	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	✓
2.2.2. Exercise Communication Control.	✓
2.2.3. Seek views on the general well being of the employees.	✓
2.3. Mobilization of organization for turnaround	✓
2.3.1. Include key managers for development of industry wisdom	✓
2.3.2. Include only key managers for development of vision	—
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✗
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✓
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✓
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✓
2.3.8. Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9. Share the pulpit (Empowerment)	✓
2.3.10. Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11. Note any comments or queries and provide answers asap.	✓
2.3.12. CEO must get out of the office to interact with the employees and to listen to them	—
2.3.13. Employ open ended communication style that encourages employees to find answers, take decisions.	✓
2.3.14. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15. Articulate a few highly concrete targets for the company for the next few months	✓
2.3.16. Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✓
2.3.17. Rephrase people's roles to clarify managerial responsibilities.	✗
2.3.18. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓
2.3.19. Publicize and celebrate every employee and team success.	✗
2.3.20. <i>Emphasize that employees loss or gain is higher. Management can quit any time</i>	NEW

2.3.21.	<i>Organize seminars for educating workers on their rights and developments in industry. This dispels misconceptions.</i>	NEW
2.4.	Internal Co-ordination	✓
2.4.1.	Offer constant feedback to keep organization on track	✓
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	✓
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	✓
2.4.5.	Keep the atmosphere light.	—
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓
3.	Unions	✓
3.1.	<i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	✓
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2.	Get them to suggest turnaround steps	✓
3.1.3.	Seek support, concessions etc. from the unions	✓
3.1.4.	Evolve jointly a broad turnaround strategy	✓
3.1.5.	Keep unions posted on the progress of the turnaround	✓
4.	Banks and Financial Institutions	✓
4.1.	<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1.	Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✗
4.1.2.	Get them to suggest turnaround steps	✗
4.1.3.	Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4.	Evolve jointly a broad turnaround strategy	✗
4.1.5.	Keep Banks and/or FIs posted on the progress of the turnaround	✗
4.1.6.	<i>Protracted negotiations with the banks and Financial institutions</i>	NEW
5.	Government	✓
5.1.	<i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1.	Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2.	Get them to suggest turnaround steps	—
5.1.3.	Seek support, concessions etc. from the government	✓
5.1.4.	Evolve jointly a broad turnaround strategy	—

5.1.5.	Keep the government posted on the progress of the turnaround	✓
5.1.6.	<i>Maintain direct contact; avoid via medias or advisors</i>	<i>NEW</i>
6.	Suppliers	✓
6.3.	<i>Negotiation of support of suppliers and neutralization of Supplier's pressures</i>	✓
6.3.1.	Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	✓
6.3.2.	Get suppliers to suggest turnaround steps	✗
6.3.3.	Seek support, concessions etc. from suppliers	✓
6.3.4.	Evolve jointly a broad turnaround strategy	✗
6.3.5.	Keep suppliers posted on the progress of the turnaround	✓
6.4.	<i>Build Credibility</i>	
6.4.1.	<i>Commit payments to build credibility</i>	<i>NEW</i>
6.4.2.	<i>Always keep your word</i>	<i>NEW</i>
7.	Customers	✓
7.4.	<i>Negotiation of support of customers and neutralization of Customer's pressures</i>	—
7.4.1.	Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	—
7.4.2.	Get customers to suggest turnaround steps	—
7.4.3.	Seek support, concessions etc. from customers	—
7.4.4.	Evolve jointly a broad turnaround strategy	—
7.4.5.	Keep customers posted on the progress of the turnaround	—
7.5.	<i>Sourcing industry information for quick cost reduction</i>	✓
7.5.1.	Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.6.	<i>Revenue Generation</i>	✓
7.6.1.	Unfocused advertising and promotion be more sharply focused	✓
7.6.2.	<i>Build Brand Image</i>	<i>NEW</i>

Validating the propositions

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.5 indicates that HMCL management addressed 10 (2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.2, 7.3), did not address 1 (1.1) and did not share information on 1

(7.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the turnaround of HMCL indicates that HMCL addressed some of the list of objectives given in the proposed framework but not all. It thus *supports Proposition P_{1A}*.

Proposition P_{1B}: The list of communication objectives given in the proposed theoretical framework is comprehensive.

Framework 5.5 indicates that HMCL management addressed 10 (2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.2, 7.3), did not address 1 (1.1) and did not share information on 1 (7.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, for the turnaround of HMCL, the list of communication objectives listed in the framework is not just suggestive, it is rather comprehensive. It thus *supports Proposition P_{1B}*.

Proposition P_{2A}: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.5 indicates that the HMCL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of HMCL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same.

The turnaround of HMCL therefore *supports Proposition P_{2A}*.

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Framework 5.5 indicates that the HMCL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of HMCL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same.

Thus, for the turnaround of HMCL the list of critical stakeholders was comprehensive. It thus *supports the Proposition P_{2B}*.

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Framework 5.5 indicates that for each of the 10 communication objectives addressed by HMCL management at least one communication action was employed by the HMCL management during turnaround. However, it also indicates 7 new communication actions (2.3.20, 2.3.21, 4.1.6, 5.1.6, 6.1.6, 6.1.7, 7.3.2) were adopted by HMCL management for the addressing these 10 communication objectives during turnaround. The other 2 communication objectives (1.1, 7.1) listed in the proposed theoretical framework have not been addressed and not been shared with researcher respectively by HMCL management and hence communication actions suggested thereof have not been employed.

Thus, the turnaround of HMCL indicates that it employed atleast one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.5 indicates that HMCL management adopted 39 communication actions; did not adopt 9 communication actions; and did not provide information on 12 communication actions of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that HMCL management employed 7 new communication actions (2.3.20, 2.3.21, 4.1.6, 5.1.6, 6.1.6, 6.1.7, 7.3.2). These actions were not listed in the theoretical framework proposed.

The turnaround of HMCL thus suggests that the list of communication actions given in the theoretical framework proposed is not comprehensive. It thus *does not support Proposition P_{3B}*.

Case 6

NAIHATI JUTE MILLS COMPANY LTD.

Deciphering Communication during Turnaround

Background

Naihati Jute Mills Company Ltd. (NJMCL) was set up in 1905, by the British. It was bought by the Bhagats, a rich family from Kolkata, in the year 1958 and was later inherited by JK Bhagat, the current Managing Director of the Company. Till 1966, Kolkata was home to a thumping jute industry. This was followed by a cyclic low. Unfortunately, the reasons to stay low kept increasing and Naihati like many other jute mills in the country began incurring losses.

By 1997, the networth of the company had eroded to INR -32 mn. The company was declared sick and referred to the BIFR, under the legislation of Sick Industries Act (SICA), in 1998 for rehabilitation. The management kept working to revive the Company. The Company networth turned positive in 1999 and the financial results improved thereafter.

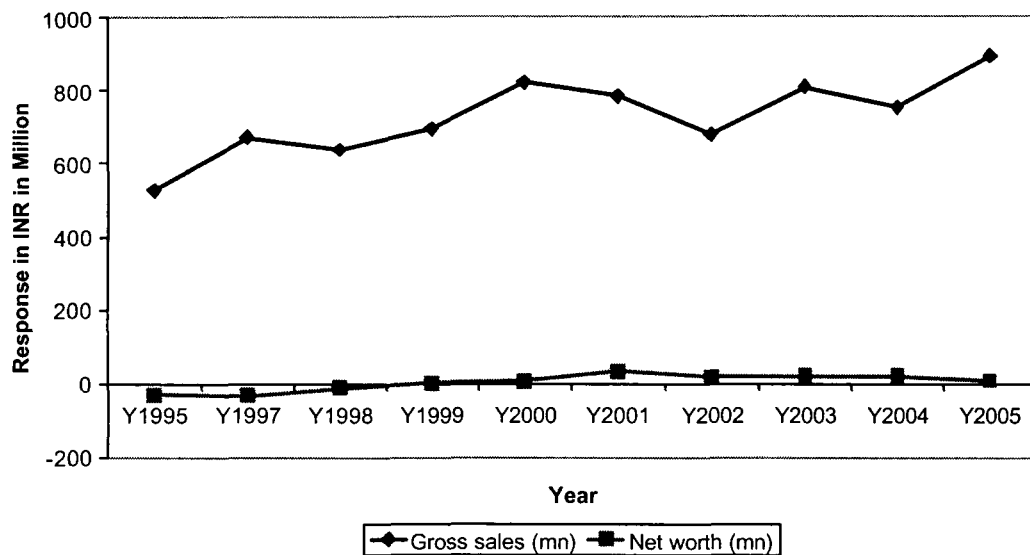
(See Table 5.6.1 and Chart 5.6.1)

Table 5.6.1: Performance of NJMCL during 1995-2005; turnaround in 1999

<i>Naihati Jute Mills Co. Ltd.</i>										
	1995	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross sales (in mn)	527	672	639	695	821	784	679	809	754	893
Net worth (in mn)	-30	-32	-10	1	7	33	19	21	21	9

Chart 5.6.1: Performance of NJMCL during 1995-2005; turnaround in 1999

Naihati Jute Mills Co. Ltd.



Challenges before the management

External Issues

Supplier Issues

Non-availability of Raw Material: The jute industry of India was dependant on Bangladesh for raw material supplies. The high import duty on the raw material made the Indian Jute products uncompetitive as these mills had to compete with mills in Bangladesh.

Exploitation by traders and brokers of raw material: “Jute crop comes in the month of July and continues till January-February. However, there is no crop in the period between March-June. The traders of jute material, therefore, restrict jute supplies between July-February so that they can retain supplies for the lean period and sell these at a high price during March-June when the companies have no other source to depend on.

Since NJMCL was running into losses, they were not in a position to buy bulk supplies or to get credit. They thus became vulnerable to exploitation by brokers and traders as any short supply of material implied a shut down – a proposition too expensive especially for a sick Company.” (JK Bhagat, personal communications, December 14, 2006)

Government: Jute as a product faced intense *competition from the Polythene industry*. The cost of jute bags is higher than polythene bags so the industry preferred polybags over jute bags. However, polybags were not eco-friendly. Since, *Government of India was a major customer for both kind of Companies (jute and polythene)* a tilt in the Government policies balance in either direction had major impact on the industry.

Government reviewed the JPMA (Jute Packaging Materials Act) 1987 annually and accordingly earmarked how much food grain or say sugar was to be packaged in jute bags. When the Govt. of India announced its policy to package all of fertilizer and cement in HDP bags instead of jute bags, it was a major setback for the industry as it lost the biggest customer base.

One of the important policies for this sector was the *import duty imposed on raw materials*. If it was high, the raw material and hence the product became uncompetitive against the product produced in Bangladesh. Industrial Associations therefore lobbied to get the import duty on raw material reduced or to get it increased on jute products. Depending on the political party in power, the protectionist policies got a boost or a set back.

Jute industry was home to thousands of workers. Naihati itself employed 4000 workers. “Almost all political parties had interest in these *vote banks*. Thus, policies that impact jute industry are sensitive to political changes”.(Ashutosh Bahgat, personal communications, December 18, 2006).

All this becomes more significant because *Jute is a major industry in West Bengal*. The performance of Jute industry impacts the economy of the state. The Government therefore also has in place several schemes for subsidizing the running or giving grants for modernization of Jute industry.

“However, the *bureaucratic delay* in implementing any of the measures dilutes the Government efforts” laments JK Bhagat.

Internal Issues

Labour Intensive Industry: The jute industry in India was not modernized. In the traditional labour intensive industry, the workers have a stronghold owing to the communist regime that has continued in West Bengal for decades. Thus the worker unions are a major force to reckon with.

The number of workers employed by NJMCL was nearly 4000, 90% of which were permanent employees. According to the government regulation, the company was bound to pay them for 240 days in an year while workers on Special Badli or contractual labour had to be paid for 200 days in an year. However, there was no legal binding for Badli i.e. casual labour. In case of NJMCL, Special Badli and Badli workers were only 10%. Therefore, irrespective of whether there was work or not, NJMCL was bound to pay the wages.

Misuse of facilities: The Company had 800 houses for the workers and 40-50% workers were housed there. It provided for such amenities as electricity, water etc. However, there were electricity thefts and other such wastages.

Low Productivity: The modern machinery was too expensive for the Sick Company to install. The productivity in this labour intensive Company was naturally dependant on its workforce. They therefore continued to depend on traditional equipment. "Unskilled labour from Bihar, UP and WB was employed to perform as skilled labour jobs. Naturally the productivity was low" (Ashutosh Bhagat, personal communications, December 18, 2005)

Naxalite movement: "There was an anti establishment movement by a group that called itself Naxals. They opposed anything that the management or other unions had to say and did get a foothold in the short term." (Ashutosh Bhagat, personal communications, December 18, 2005)

External Communication at NJMCL

Government: NJMCL management maintained that major crisis in jute industry was owing to external factors and that remedy for most of it also was with the government. It participated actively in the industry association activities to be able to voice its concerns to the government, and also received several benefits through the BIFR.

The West Bengal government had initiated several incentive schemes for Companies referred to BIFR. The objective of NJMCL was to avail these concessions during the revival period.

NJMCL got various deferments of loans and concessions under the Jute Modernization Scheme. Special loans for the payment of statutory dues like PF at subsidized interest rate, sales tax loans, loans for arrears, and other concessions given to sick industries such as reduced electricity rates were availed.

“At the peak of crisis me and my father were involved whenever possible. If we would have avoided then revival would not have been as smooth and fast as it was. There was a need to develop in BIFR a confidence that we are not out to cheat them. Through monitoring of accounts and operations and periodic review meetings at the BIFR level this was ensured.” (Ashutosh Bhagat, December 18, 2005)

Industry Associations: Industry Associations played a major role in aiding revival. This Association membership assisted the management to discuss with peers in the industry the common problems that they faced and provided a platform to voice the concerns to the government. for instance, since the raw material was expensive owing to the high import duty, the industry associations influenced the government to lower import duty on raw material and increase tariffs on import of finished product. The Industry Associations also lobbied with the Central government to retain Jute Mandatory Packaging Act, 1987. Thus it was important to be active in the Associations so as to be perceived as a significant opinion leader in the Association. *“Earlier my father was on the committee and now I have taken his place” (Ashutosh Bhagat, personal communications, December 18, 2005).*

The Association also enabled the management to foster relationship with various associates including brokers, competitors, customers etc. and develop contacts to keep update on industry development and market fluctuations. This was important even in day-to-day functioning as it laid networks to source rates of raw material that fluctuate on a daily basis.

Bankers: NJMCL was defaulting in their term loan commitments. They had to pay Income Tax (IT) and Provident Fund (PF) dues amounting to nearly INR 50 mn. And the monetary situation was such that there was also shortage of funds even for raw material and payment of wages.

The Company then prepared a scheme of viability which was approved under the rehabilitation scheme of BIFR but it could not arrange for an operating agency for the same. The management then discussed the scheme with Bankers and attempted to convince them sharing ailments of the industry and past records of the Company and finally NJMCL gave a collated security of INR 10 mn and got the WC limit enhanced.

The Banks monitored Company's account operations and also conducted periodic review meetings with promoters at BIFR level *NJMCL was very forthcoming in sharing all information.* Since NJMCL was under the rehabilitation scheme of BIFR

each cheque signed by the Company had to be counter signed by the Bank. The practice was continuing till the time of the interview (2005) but was due for withdrawal. The bankers employed internal auditors; officers checked the stock, however, NJMCL refused to get perturbed as it was not fiddling with funds.

Customers: Jute products were sold through brokers. NJMCL had relationships and dealings with several Brokers. However, since NJMCL was in short of funds, it was forced to sell its products at discounted rates for cash sales. As a result, NJMCL was selling materials at lower prices and when the prices went up, they had no material to produce any further. “We realized how the brokers were encashing on our strengths and weakness” (Ashutosh Bhagat, personal communications, December 18, 2005)

NJMCL, therefore, examined sifted to find out who were the major offenders and reduced business with them. Elimination process was initiated and Naihati began dealing with only those who were financially sound, did not seek credit even if they were new in the business. But arriving at this list required identifying leakages, cross checking with other mills and developing new relationships. This required insights at various levels. The team developed relationships with customers, suppliers and competitors at various levels.

NJMCL made a renewed effort of marketing in India and abroad. The objective was to increase sales of value added products – an upcoming export area. Its attempt was to get recognized as an export house that delivered quality, met delivery schedules and provided services to buyers. It developed a flexible system of production wherein the product mix was varied depending on the market demands. for instance, NJMCL initially produced only 50 kg Hessian bags for packing pulses. With this market size depleting, NJMCL began producing Jute Bleach Cloth Bags used by Rice manufacturers in Delhi. Similarly, they began producing carpet yarn which was sold in foreign markets. This increased volumes of production to a large extent. The message was that NJMCL offered good quality in affordable prices. Ravi Bhagat, the elder son of JK Bhagat and Director in the Company was *responsible for marketing communications*. He worked with a team of 5 people.

Developing, creating and exporting niche products was a strategy. NJMCL developed new value added products. for instance it entered the niche area of producing bleached Jute fabrics which could be sold at INR 5000/ton as against Asian jute sold at INR 3500/ton. These products were then promoted abroad by regularly participating in and visiting fares.

“It is extremely important to keep oneself informed of trends because only then an effective product mix can be developed. Tapping information from various sources through informal feedback is the key to all the planning” (Ravi Bhagat, personal communications, December 14, 2005)

Suppliers: *NJMCL supply-chain management was not in place. Payments were long overdue. Considering that the financial situation was not so good, there was need to agree on time frames to liquidate the dues. The directors therefore, held frequent meetings with the suppliers and explained to them the Mill’s position. Once the Company started generating funds, funds oiled the wheels.*

NJMCL was also not ready to accept substandard material as that would have adversely affected quality and production levels. for instance if the Company wanted to produce jute with more strength and thus higher spin ability, *they went back to the supplier who in turn suggested several methods which then had to be discussed and implemented in the factory and that was an ongoing process.*

“Relationship building helps” says Ashutosh Bhagat. “It makes clear to the supplier, what the customer is looking for and in case there are practical problems they are able to come and tell you” he adds. The Directors also made it a point to collect feedback from the workers, on quality of material and suppliers whenever they visited the mills.

The company was very firm on quality of supplies and several suppliers did get eliminated in the process of maintaining this objective. The MD and Ashutosh Bhagat themselves interacted with the suppliers.

Other Stakeholders: There was no interaction with media or international agencies as well. The communication with shareholders was restricted to as much by was stipulated as legal requirement – annual reports and AGMs.

Internal Communication Strategy

NJMCL did not have a very formal strategy but all along the management met to strategize and draw plans to figure out how they could overcome obstacles to get optimum results.

Employees: No retrenchment

Even though there was a large workforce on rolls, NJMCL did not resort to retrenchment of employees. The number of workers were reduced from 4000 to 3700 in 9 years.

Cost Cutting Measures: However, several facilities which were freely flowing in good times were cut down. for instance, electricity theft was checked and water supply restrictions from 24 hrs to 16 hrs a day in worker homes had to be imposed to reduce expenses. *“Naturally we had to explain to the workers why that cannot be allowed”* (Ashutosh Bhagat, personal communications, December 18, 2005).

Productivity: *However, there was need to increase productivity and reduce wastages in the processes. “For instance, suppose in our mill one person was working on 2 machines and in other companies they were working on 4 machines then the management attempted to convince them for better productivity. If there was resistance to change then the management took them to neighboring mills to make them see for themselves how their competitors were accomplishing the task” shares Ashutosh Bhagat. If there was a difference in the machines, the management took some capex & replaced the machines. Once the mills were technically at par, the workers had to change. But, the competitors permitted the visits solely because of good relations with them.*

The capacity of production was also increased to absorb the spare workers. Thus “Our productivity increased from 64 workers producing one ton in 1974-75 to 34/35 workers producing one ton in 2004-2005” (JK Bhagat, personal communications, December 16, 2005)

Quality circle meetings – Departmental heads or supervisors & workers of concerned department met outside working hours to discuss quality processes, disciplinary action, machines repair and maintenance, incentive schemes for productivity and the likes. The company on its recommendation instituted ‘Best weaver of the month’ and ‘Best spinner of the month’ awards.

Hoardings were put up on the factory shop-floor. There were posters in the vernacular language so that the labour could comprehend the messages.

Head of the unit at the plant level and the Personnel Manager who was also the head of the labour dept. interacted with the union leaders of the 8 unions of NJML (now there are 10 unions). There were five to six HR officers who interacted with the Sardars and the influential workers at different levels.

The management identified influential workers and then communicated with them. The number of employees was large (4000) and the manning pattern was also detailed. Besides, the managers had grown up in the environment and they understood the intricacies. Therefore, they knew when hierarchy was not important

and convincing two or three workers who were more vocal and influential would do the job better. Thus, the effort was to make them understand the problem and solution and then they could carry the house through.

Feedback was also collected in an unstructured manner at all the levels to make sure that everyone was in the loop for anything to do with them. "Everyone is not very open in meetings. But they go out and make comments to colleagues. Once the informal feedback is received, the management has to work on it." (Ashutosh Bhagat, personal communications, December 18, 2005)

Tackling the Naxals: *Both formal and informal feedback played an extremely important role in resolving issues with the workers. for instance, there was an anti establishment movement by a group that called itself Naxals. They opposed anything that the management or other unions had to say and did get a foothold in the short term. But, with the support of major unions the management convinced their members that the Naxal group was misguiding them and that ultimately the viability of the factory was necessary.*

Analysis

The case of the turnaround of NJMCL reveals how stiff competition from synthetic fibre, import duty on raw material, government policies such as JPMA 1987, tariffs imposed by textile ministry, labour policies and the likes impacted the working of the jute industry in general and NJMCL in particular. Thus, environmental changes were drastic and NJMCL was unable to respond to those changes effectively resulting in a decline that led to a sick state. Thus, the case strongly supports the first stage of the theoretical model proposed.

When NJMCL was in a sick state, the brokers of raw material and the end product were aware of NJMCL's constraints and as NJMCL management revealed, they took full advantage to sell or buy at uncompetitive rates. The Bankers refused to give loans until NJMCL brought in equity to establish intent to revive. The workers were indulging in wastage and anti establishment movements. Thus there were disabling forces emanating from various stake holders. The industry associations and some of the government policies, however, were supportive and exerted enabling forces but probably were not strong enough to counteract the disabling forces.

The case of turnaround of NJMCL strongly supports the third stage of the model as the process of turnaround got initiated only when the management assumed the responsibility, invested a sum of INR 10 mn as security to get more funds to establish

their intent to turnaround the Company. The management then worked with various stakeholders to enable the turnaround objectives such as initial control to curb wastages and improve productivity, improve co-ordination, mobilization, negotiation and development of industry wisdom. The management enabled these through various as formal and informal communication actions that are tabulated in the table given below. Thus the case strongly supports the third stage of the theoretical model proposed in this study.

Framework 5.6

The Match between the CS for OTA framework and the communication strategy of NJMCL during turnaround

✗ No	— Don't Know	✓ Yes	NEW - Newly Identify
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Theoretical Pattern

Case Pattern

Stakeholder/ Turnaround Element (objective)/

Possible Communication Action

1. Board of Directors/ Shareholders	✗
1.1. Gain support and time in the future	✗
1.1.1. Present detailed turn-around plan	—
2. Staff and Employees	✓
2.1. Credibility building actions by the new management	✗
2.1.1. Document, and communicate a strategic turnaround plan	—
2.1.2. Publicize success in resolving a current crisis or problem	✗
2.1.3. Make decisions transparent	✗
2.1.4. Exercise Communication Control (control on promises rolled out)	—
2.2. Initial Control	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	✓
2.2.2. Exercise Communication Control.	—
2.2.3. Seek views on the general well being of the employees.	—
2.3. Mobilization of organization for turnaround	✓
2.3.1. Include key managers for development of industry wisdom	✓
2.3.2. Include only key managers for development of vision	—
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✗
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✗
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✗

2.3.6.	Listen to the views of all managers. Gauge their reaction	✓
2.3.7.	Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✓
2.3.8.	Ensure all employees know what is going on, for what reason and how it will occur.	✗
2.3.9.	Share the pulpit (Empowerment)	✗
2.3.10.	Deal with concerns of employees in open and honest manner. Offer Follow up sessions	—
2.3.11.	Note any comments or queries and provide answers asap.	—
2.3.12.	CEO must get out of the office to interact with the employees and to listen to them	—
2.3.13.	Employ open ended communication style that encourages employees to find answers, take decisions.	✗
2.3.14.	Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✗
2.3.15.	Articulate a few highly concrete targets for the company for the next few months	✓
2.3.16.	Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✓
2.3.17.	Rephrase people's roles to clarify managerial responsibilities.	✗
2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✗
2.3.19.	Publicize and celebrate every employee and team success.	✓
2.4.	<i>Internal Co-ordination</i>	✓
2.4.1.	Offer constant feedback to keep organization on track	✓
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	✓
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	✓
2.4.5.	Keep the atmosphere light.	—
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✗
3.	Unions	✓
3.1.	<i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	✓
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2.	Get them to suggest turnaround steps	✓
3.1.3.	Seek support, concessions etc. from the unions	✓
3.1.4.	Evolve jointly a broad turnaround strategy	✗

3.1.5.	Keep unions posted on the progress of the turnaround	✓
3.1.6.	<i>Collect informal feedback for better negotiations</i>	<i>NEW</i>
4.	Banks and Financial Institutions	✓
4.1.	<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1.	Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓
4.1.2.	Get them to suggest turnaround steps	✓
4.1.3.	Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4.	Evolve jointly a broad turnaround strategy	✓
4.1.5.	Keep Banks and/or FIs posted on the progress of the turnaround	✓
4.1.6.	<i>Protracted negotiations with the banks and Financial institutions</i>	<i>NEW</i>
4.1.7.	<i>Requires personal interaction of promoter/ top management with Bank senior officials</i>	<i>NEW</i>
5.	Government	✓
5.1.	<i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1.	Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2.	Get them to suggest turnaround steps	✓
5.1.3.	Seek support, concessions etc. from the government	✓
5.1.4.	Evolve jointly a broad turnaround strategy	—
5.1.5.	Keep the government posted on the progress of the turnaround	✓
5.1.6.	<i>Maintain direct contact; avoid via medias or advisors</i>	<i>NEW</i>
5.1.7.	<i>Approach Government through industry associations</i>	<i>NEW</i>
6.	Suppliers	✓
6.1.	<i>Negotiation of support of suppliers and neutralization of Supplier's pressures</i>	✓
6.1.1.	Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	×
6.1.2.	Get suppliers to suggest turnaround steps	×
6.1.3.	Seek support, concessions etc. from suppliers	✓
6.1.4.	Evolve jointly a broad turnaround strategy	×
6.1.5.	Keep suppliers posted on the progress of the turnaround	×
6.1.6.	<i>Seek new suppliers who are willing to give credit and cooperate</i>	<i>NEW</i>

7. Customers	✓
7.1. Negotiation of support of customers and neutralization of Customer's pressures	✓
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	✓
7.1.2. Get customers to suggest turnaround steps	—
7.1.3. Seek support, concessions etc. from customers	—
7.1.4. Evolve jointly a broad turnaround strategy	✓
7.1.5. Keep customers posted on the progress of the turnaround	—
7.2. Sourcing industry information for quick cost reduction	✓
7.2.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.2.2. Active association with industry association	NEW
7.2.3. Develop informal contacts with peers in industry	NEW
7.3. Revenue Generation	✓
7.3.1. Unfocused advertising and promotion be more sharply focused	✓
7.3.2. Build Brand Image	NEW
8. Industry Association	
8.1. Influence government policies	
8.1.1. Build image of a senior member of the company as significant opinion holder	NEW
8.1.2. Actively participate in the association's activities	NEW
8.2. Keep track of industry developments	NEW
8.2.1. Actively participate in the association's activities	NEW

Validating the propositions

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.6 indicates that NJMCL management addressed 10 (2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3) and did not address 2 (1.1, 2.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the turnaround of NJMCL indicates that NJMCL management addressed some of the list of objectives given in the proposed framework but not all. It thus *supports* **Proposition P_{1A} .**

***Proposition P_{1B}*: The list of communication objectives given in the proposed theoretical framework is comprehensive**

Framework 5.6 indicates that NJMCL management addressed 10 (2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3) and did not address 2 (1.1, 2.1) of the 12 communication objectives listed in the theoretical framework proposed. In addition, NJMCL also addressed 2 communication objectives (8.1, 8.2) that were not listed in the theoretical framework suggested.

Thus, for the turnaround of NJMCL, the list of communication objectives given in the framework is suggestive but not comprehensive. It thus ***does not support Proposition P_{1B}***.

***Proposition P_{2A}*: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.**

Framework 5.6 indicates that the NJMCL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of NJMCL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same. However, NJMCL management also considered industry associations as a critical stakeholder.

The turnaround of HMCL therefore ***supports Proposition P_{2A}***.

***Proposition P_{2B}*: The list of critical stakeholders to be addressed during a turnaround is comprehensive.**

Framework 5.6 indicates that the NJMCL management addressed 6 (2, 3, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of NJMCL. The only stakeholder not earmarked as being addressed is the Board of Directors. This is because the promoter, Board of Directors and top management happened to be the same. However, NJMCL management also considered industry associations as a critical stakeholder.

Thus, for the turnaround of NJMCL the list of critical stakeholders was mandatory but not comprehensive. It thus ***does not support the Proposition P_{2B}***.

***Proposition P_{3A}*: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.**

Framework 5.6 indicates that for each of the 10 communication objectives listed in the theoretical framework and addressed by NJMCL management, at least one

communication action listed thereof was employed by the NJMCL management during turnaround. However, it also indicates 9 new communication actions (3.1.6, 4.1.6, 4.1.7, 5.1.6, 5.1.6, 5.1.7, 6.1.6, 7.2.2, 7.2.3, 7.3.2) were adopted by NJMCL management for the addressing these 10 communication objectives during turnaround. The other 2 communication objectives (1.1, 2.1) listed in the proposed theoretical framework were not addressed by NJMCL management and hence communication actions suggested thereof have not been employed. Also 3 new communication actions (8.1.1, 8.1.2, 8.2.1) were adopted to achieve the 2 new communication objectives (8.1 and 8.2)

Thus, the turnaround of NJMCL indicates that it employed atleast one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.6 indicates that NJMCL management adopted 29 communication actions; did not adopt 17 communication actions; and did not provide information on 14 communication actions of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that NJMCL management employed 12 new communication actions (3.1.6, 4.1.6, 4.1.7, 5.1.6, 5.1.6, 5.1.7, 6.1.6, 7.2.2, 7.2.3, 7.3.2, 8.1.1, 8.1.2, 8.2.1). These actions were not listed in the theoretical framework proposed. The turnaround of NJMCL thus suggests that the list of communication actions given in the theoretical framework proposed is not comprehensive. It thus *does not support Proposition P_{3B}*.

Case 7

INDIA POLYFIBRES LTD.

Deciphering Communications during Turnaround

Background

RP Goenka (RPG) Group in technical collaboration with DuPont USA set up India Polyfibres Ltd. (IPL) to manufacture 15,000 MT per annum of Commodity Polyester Staple Fibre (PSF) at Barabanki, UP⁴¹ in 1985. The production was commissioned in 1987 and the company was doing well until 1991 when it was hit by the new industrial policy of India (1991) that exempted industrial undertakings from licensing requirements subject to some conditions. From a time when the PSF was in short supply owing to restricted capacity, IPL was now in a market where the *supply exceeded the demand*. Further, with the reduction of *import duty* the industry was thrown open to global competition. Thus, the products had to additionally compete with foreign goods. “*Cost effectiveness and marketing became essential for survival. IPL was not prepared for either.*” (Narendra Kumar, personal communications, 24 November 2005)

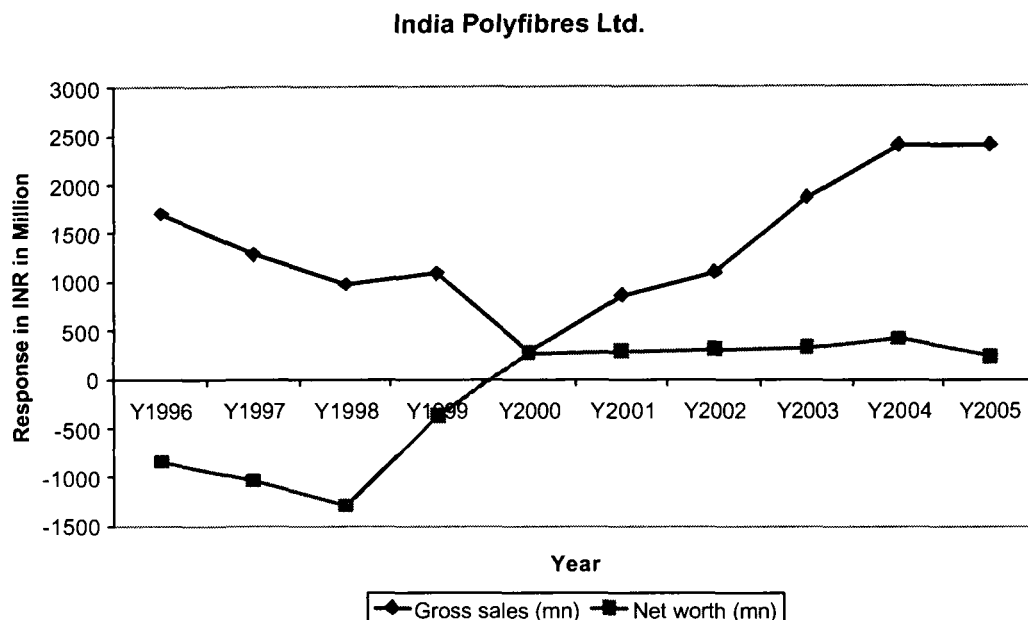
The downfall of IPL began and continued till 1997 and its networth was reduced to INR (103.3) mn. In 1997, Reliance Group holding Companies bought IPL from the RPG Group. There was a strategic alliance between Reliance Petrochemicals Ltd (RPCL) and IPL and the turnaround process was initiated. IPL's changed performance started to show results and by year 2000 turned positive (INR 275 mn) The company has since been doing well. (See Table 5.7.1 and Chart 5.7.1)

Table 5.7.1: Performance of IPL during 1996-2005; turnaround in 2000

<i>India Polyfibres Ltd.</i>										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross sales (in mn)	1706	1284	978	1090	279	862	1101	1866	2398	2398
Net worth (in mn)	-835	-1033	-1291	-378	275	293	310	330	423	244

⁴¹ Barabanki is a small town located 30 km from Lucknow, the capital of Uttar Pradesh (UP). UP is the largest state of India located in northern part of the country.

Chart 5.7.1: Performance of IPL during 1996-2005; turnaround in 2000



Unraveling the Turnaround

Sapra, President of the Polyester Division of the Reliance Group spearheaded the process of turnaround. As a policy, RPCL management decided to appoint the Managing Director from the Company itself. “This was to send a message that Reliance firmly believed in the Company’s capabilities and that with improved direction from the promoters the company could really do well” (Raja Ram, Director RPCL, personal communications, April 4, 2006). Narendra Kumar, the plant head at IPL was promoted as the Managing Director of IPL while the Chairman was eased out.

When Reliance took over IPL the external and internal challenges that IPL was facing at that time were as follows

External Issues

Government Policies: *“The decision of establishing IPL at Barabanki in 1984 was also a politically guided decision that proved to be strategically incorrect. This was because the raw material for the product had to be sourced from Maharashtra and Gujarat and the market for the end product was also mainly in Maharashtra and Gujarat. Owing to the additional freight charges the product was uncompetitive in the market.*

Also, the power supply was available in UP at INR 4 per unit as against INR1 per unit available in competing states of Maharashtra and Gujarat. This made the cost of production further uncompetitive in national markets.” (Narendra Kumar, personal communications, 24 November 2005).

Customer confidence: *“Since IPL was a sick unit, the customers naturally had fears on how long will the supply continue and also had concerns about quality. Though, owing to reasonably good quality fibre produced at IPL in the past, quality issues were not so serious.” (Raja Ram, Director, IPL, personal communications, April 4, 2006). Besides, the customer had a wide choice owing to higher supply against demand.*

Supplier Relations: *“When IPL was not doing well, it was unable to pay Suppliers in time. Also since the company became sick, no one wanted to lend them money”. Also owing to the transport cost the physical distance from the supplier was a major concern.*

Financial Institutions: When the new management took over, IPL owed INR 1500 mn debt to financial institutions. Naturally, they were not ready to give extra loans. “It was tough because they were not ready to give any loans and we had exhausted our WC. Other problems such as the refusal to increase the LC limits forced us to work through another company for buying our raw material. This company would then sell to us high seas.” (Narendra Kumar, personal communications, 24 November 2005).

Internal Issues

Uneconomical production capacity: IPL was producing small quantities (90 tons per day) of PSF and thus the cost of production was uneconomical. Since PSF was a commodity fibre it was difficult for IPL to sell it, owing to high costs, although there was otherwise high demand for the white colour PSF being produced by IPL.

Limited exposure to market demand: *“It was hard for IPL to believe that big (90 tons/day) quantities of black fibre, which is not as big a market as the white fibre, could be sold in the market. This was more so because they had been selling fibre only within the national boundaries and had no exposure to international demands” says Raja Ram,*

Resistance to producing Black Fibre: IPL for a long time had been producing white fibre. Switching to black fibre meant dealing with a new process. This new process produced a waste which was now black instead of white. The work area

would therefore be dirty. *“There were imaginary problems in handling the black waste which was not good to feel as the workers were more accustomed to the white waste ”* shares Raja Ram

Bottlenecks: There were technological bottlenecks that limited the production capacities.

Internal Strategy

“The one good thing at IPL was that the production norms were outstanding and the Company had bagged a National Energy Award” (Narendra Kumar, personal communications, 24 November 2005). Commitment, motivation, clean and safe environment, health of employees were prime concerns. Camaraderie and working culture were important. The uniform was adopted at IPL to further team spirit.

Meeting the challenge of marketing: Just before Reliance takeover, IPL had signed Conversion agreements with several customers like Bombay Dyeing, Reliance and the likes. Under these agreements the customer supplied the raw material and IPL converted it to the end product and supplied it back to the customer.

In 1998 IPL had a strategic alliance with Reliance Petro-products P. Ltd. Thereafter, it had a conversion agreement with RPCL for 100% of its produce. It thus received all the raw material from Reliance group companies and Reliance picked up the complete produce. The marketing effort was thus passed on to the Reliance Group.

De-bottlenecking: The capacity was gradually increased from 1500 MT/annum to 22,400 MT per annum by de-bottlenecking.

Uneconomical capacity converted into niche product facility: The new management accepted that it could not do away with the shortcomings of locational disadvantage. Besides, the capacity for production was uneconomical for a commodity fibre. It therefore decided to innovate and value-add to produce a niche product that was difficult to replicate and could fetch a higher price tag.

So, IPL became the first company to produce Dope Dyed Black Polyester Fibre in 1999. The objective was to diversify with manufacturing of specialty fibre, for future survival. Despite considerable risks of failure, the Company chose to implement an untried and unique process. Necessary changes and modifications in plant and machinery were carried out to undertake test/ trial runs for ascertaining technical viability, determining modifications and additional equipment required for sustained operations and simultaneously adhere to the desired quality levels.

At the time of the interview, the Company is producing Dope Dyed Black Polyester fibre, which was sold at a premium of 25% over normal fibre. "It is the first time that Black fibre has been produced by continuous process on PTA route anywhere in the world. Today, IPL is the largest producer of Dope Dyed Black Polyester Staple Fibre in the world and about 40% of its production is exported" (Narendra Kumar, personal communications, 24 November 2005)

Communicating the Vision and Mission: *"Communication is very important no doubt, because it is only through effective communication that people can be made aware of the problems of the organization. In running any business, in general and during a turnaround process specifically it is very important that the organizational members understand the Vision and Mission of the Company because only then they will be able to work towards one objective. Thus, communication makes a team homogeneous. The vision and mission of IPL was thus very widely circulated and shared to ensure a complete buy-in by the employees."* (Narendra Kumar, personal communications, 24 November 2005)

Sapra, the new Chairman of IPL, initiated the process by personally visiting the factory to address the staff and the workers very persuasively and share the future plans with them. The technical and marketing team members kept visiting IPL factory to share success stories with the employees.

Discussion groups of 15-20 people were regularly organized to share the vision and mission of the company. The mission was reviewed periodically to refocus the Company's strategies. Departmental missions and actions plans were drawn, implemented and monitored accordingly. (Narender Kumar, Transformation at IPL-a case study, 2002)

To share the strides of success that the Reliance Group was making a newsletter was started. "This made the employees feel that they were part of a big group and could feel proud of the progress that they were making as a part of it" (Raja Ram, personal communications, April 4, 2006)

Walk the talk is the primary principle of good communications. For instance IPL has adopted a safety policy which lists a speed limit. "I make sure that I check my driver if he overshoots the speed any time". (Narendra Kumar, personal communications, 24 November 2005)

The demonstration has to be on a continuous basis for instance we have a uniform dress code that each IPL employee must adorn every day. When the Princess of

Denmark visited IPL, the MD met her at IPL in the IPL uniform. "This develops a sense of pride amongst the employees who then proudly wear the same uniform as the MD. Similarly, goes the punctuality norm at the Company." (Narendra Kumar, personal communications, 24 November 2005)

When IPL issued a policy of checking the car storage areas before any car left the office there was a major uproar. Employees claimed that the policy reflected lack of trust. "That day I purposely left the office at the same hour when the other employees leave IPL for home. Right amidst all of them, I parked my car, got my car storage area checked and left. There was no murmuring on the issue thereafter" (Narendra Kumar, personal communications, 24 November 2005)

This is visible from various communications floating through the organization. Messages were also carefully phrased and communicated in the organization. For instance posters on how to 'Make your Work easier' or to promote health and safety precautions in the factory were put up all over the factory premises. Thus yet another principle underlying the communications floated at IPL was to 'Take care of people and ask them to take care of themselves'.

Then, there was resistance to producing Black fibre that had to be addressed. "Narendra Kumar was very supportive of the change and he could see that this was the only way the Company could survive the emerging challenges. He therefore did a lot of persuading and explaining to address the concerns. As workers realized that complaints were imaginary and the change was for the better the complaints faded away over a period of time "(Raja Ram, personal communications, April 4, 2006).

Enhancing Communication for improving efficiency and Cost Competitiveness: *"The communication strategy wasn't documented but the strategy was very clear and it came in phases, module wise" (Narendra Kumar, personal communications, 24 November 2005). IPL believed that there were inefficiencies owing to lack of smooth communication flow and the challenge was to reduce cost of operations through efficient communication.*

"The aims of the communication strategy were: 1. Make Communication faster (With email communication adopted as official communication, the system of photocopying was rendered useless. IPL became an almost paperless organization with much faster communication flow) 2. Improve process flow for better and faster knowledge sharing 3. Better communication for more involvement of people 4. Maintain focus of employees on what management wants them to do so that the focus is not lost. This

strategy may not be in black and white but communication was a high priority. This was evident from the extensive communication technology adaptation that IPL went for, in that phase". (Narendra Kumar, personal communications, 24 November 2005)

Every PC in the Company was connected to the LAN. The emails were enabled by Lotus Notes. They had fully enabled all modules of SAP including those of materials and plant management, finance and accounts, production, SAP & HR etc. The SAP had complete handshake with the Reliance system. This facilitated resource sharing in the sister concerns. Thus, if a machine part was required at IPL, they could just log on and check inventories at all Reliance sites to source it from where it was available. They had knowledge sharing portals, online tracking system for everything, capital expenditure, complaints and customer visits.

The advantages were immense. for instance, if anybody from any branch visited a customer, it was reflected on the terminal so that any IPL employee visiting the customer thereafter was well informed of the history of IPL transactions with that customer. Similarly, the communication technology had also enabled a forward flow of communication through right channels. With proper authorization to create, to change, to approve or to let capex or vouchers or any file flow, well defined, the progress was transparent and well tracked. This enabled a smooth flow of communications and efficient transactions.

We ensured regular communication with employees, customers, shareholders, financial institutions and banks, and suppliers

This also ensured that IPL was in the Reliance fold. "The main focus was to ensure uniformity of systems. Thus IPL became an integral part of Reliance Group". (Raja Ram, personal communication, April 4, 2006)

While Reliance spent all the money to extend its SAP platform to IPL, IPL in turn spent all the money to train the workers and staff to completely adopt the SAP software. Every official communication in IPL was made in soft copy – a leave application, an approval, salary processing, bill processing and almost any internal transaction. Yet another benefit of SAP was that IPL was able to benchmark against other factories or sites of Reliance. Inter-site comparison was an ongoing process and that enabled the development of action plans.

Higher end communication technologies have been adopted in IPL for instance video conferencing between Germany, Mumbai, two plants in Hazirabad and IPL Bara Banki is a regular weekly feature.

The mobile phones increased the pace of communication. SMS was not used extensively. Internet was used for more information, literature survey, Supplier information and the likes. IPL did not develop a website as it never felt the need to market its product.

Involvement for continuous innovation: ‘Suggestion Scheme’ was a great success at IPL. for every suggestion received in the box, the Company gave away token gifts. After the suggestions were evaluated by the department the suggestions monetary rewards are given away on the basis of specific guidelines. Each presentation also fetched a gift from the Company. “The idea was a roaring success to the extent that when family members did not get a gift for a long time, they checked whether all was well. These were token gifts like calculators, insulated plastic bottles, Thermos or any other item. (Narendra Kumar, Quality Manager, personal communications, 24 November 2005)

Performance Reviews/ Team Spirit: Regular monthly performance review meetings were held where 20 to 25 senior people got together to review the performance. All members therefore were abreast of developments in every other sphere. This enabled them to appreciate cost of production, performance of other departments, issues faced by IPL and forward paths. Thus, no one is working in isolation and a team spirit is fostered.

Other Communication Interventions

News letter: *To keep the employees up-to-date with the latest developments, IPL started a quarterly newsletter – The IPL Times. This encouraged all employees to share their experiences.*

Quality Centre: *The quality centre in the plant was the central place for information sharing with the operating personnel. All the key parameters of plant and customer complaints and different plant models were at this location.*

Communication for safety measures: *IPL being a petrochemical based plant, its approach towards safety was “Safety of a person overrides all production targets”. It took several measures to communicate the message – a formal programme to educate the employees, posters and talks to educate employees, posters all over the factory, learning with fun by organizing slogan writing competitions and*

other activities for employees and their families etc. (Narender Kumar, Transformation at IPL – a case study, 2002)

Well documented quality, training, performance, safety and other policies that were extensively shared with all the employees.

External Communications at IPL

Financial Institutions and Banks: *IPL had to pay roughly INR 1500 million to the financial institutions. Protracted negotiations led by Indu Bhai Sheth and the merger and acquisition team of Reliance took place with financial institutions. “These were endless hours and days of waiting to see who blinks first” (Raja Ram, personal communications, April 4, 2006). We knew we had to pay but we also knew that they know we will make a success story. Finally, a deal in which one third was paid in cash, IPL expanded its share capital base and one third was converted to equity while one third was converted to zero coupon debenture for 13 years. The negotiated deal was submitted to BIFR for ratification and signed thereafter.*

When the Company was in red, continuous communication through regular meetings, presentations and discussion of problems was required until one final settlement was reached.

Persistent Interactions and Presentations to Convince: *The marketing team visited the customers and made presentations to convince them. “We emphasized that the raw material was now the same as in any other Reliance facility and that there is no difference in the quality produced at Hazira or BaraBanki”. The team built credibility by sharing the example of JCT (that Reliance had recently acquired) where the product quality was not as their standards, and the Company junked the entire produce of 4/5 months as waste.*

“While the initial concern of IPL was whether it will be possible to sell such quantities of Black fibre. today the market penetration has increased so much, that given the challenge to sell all of Black polyester fabric in India we can do it. We maintain exports because of our interest in exports and not because we do not have local markets” claims Raja Ram

However, initially a major part was exported for instance to the Middle East where Burkas are made out of polyester fabric.

Ensuring quality to ensure customer satisfaction was another focus area. “There are regular plant visits organized for the Reliance employees. Country wide Customer

Satisfaction surveys are conducted annually. Customer Satisfaction Index for each mill gives a rating to measure performance. Action plans are then drawn up for improved performance. Customer satisfaction is ensured through product quality, timely delivery, after sales service, effective pricing and packaging” shares Narendra Kumar.

Suppliers: The most important raw material in a polyester plant is PTA and MEG. These constitute 70% of the total inputs. The balance includes packaging, machinery supplies etc. Reliance produces PTA and MEG and thus became the sole supplier for IPL. For other materials as well, Reliance employed a common platform to source material for all of its polyester units. “The suppliers were delighted to know that Reliance was now a promoter. This gave hope that their payments would now come through” says Raja Ram.

As regards other Suppliers, IPL had to build credibility. It therefore decided to build the confidence by being transparent and fair. “For instance, IPL had five transporters and issue of payment cropped up now and then. We decided to release equal (pro rata) payments to each one of them as and when they received any payments or IPL was ready to make payments. This saved the transporters the anxiety that the accounts section was being partial and also kept giving each one of them some hope that the money would keep flowing in although slow. After that we had no complaints whatsoever regarding the payments” (Narendra Kumar, personal communications, 24 November 2005)

Supplier’s interest is in payment and long term business. When SAP was implemented, automatic cheque processing and printing became a reality. The purchase planning was done much in advance and suppliers were kept informed of the purchase plans. This greatly enhanced efficiency and kept the Suppliers happy. “We thus were able to maintain excellent relations with our Suppliers and were able to develop Suppliers for special needs by educating them and making them partners in the process” says Narendra Kumar.

Government: Getting Interactions: Communication with Government or environmental agencies were as per statutory requirements. Voicing concerns about the policy was done through the industry associations.

Narendra Kumar alongwith Vinod Arora dealt with the concerned government authorities to get exemptions, if applicable. For instance, there was a state government policy that if any Company invested more than INR 500 mn to diversify

then it would get a sales tax exemption. Since IPL had invested almost INR 700 mn for diversification, it got the ST exemption.

Shareholders: *Regular communications were sent to keep the shareholders informed and interested. for instance the change in management, 100% buy-sell arrangement between Reliance and IPL were publicized. “However, share holder’s interests are to get dividend, bonus shares or market value of shares and those expectations are still to be met though all this is a preparation towards that” says Narendra Kumar.*

Media: “We remained aloof from the media because public at large was not a customer for us.” Also, Since IPL was producing an industrial product there was neither a need for advertising nor for any media coverage. “Some stories about turnaround did appear but they were at the initiative of the media. We neither blocked nor promoted media relations” says Raja Ram.

“Moreover, Bara Banki is a town notorious for rioting by locals. We therefore try to maintain a low key image. Infact, the previous President Kukereja managed operations from Lucknow and interacted extensively with the media as liasoning with the government agencies for marketing IPL products was his focus. However, maintaining contacts and entertaining IAS officers and the likes did not pay off” laments Narendra Kumar.

Collaborators: IPL had a technological collaboration with Du-Pont in the initial stage but that had expired as Du-Pont’s interest in Polyster had diminished worldwide. Though any technical assistance could still be sought on a payable basis. This collaboration had no implications for the turnaround process.

Industry Associations: IPL had always been a member of the Lucknow Industry Association and continued to be so. The industry concerns such as on electricity rates etc could be voiced through these associations. “While Industry Associations dd voice the industry concerns they had no role to play in the turnaround process” says Raja Ram, RPCL.

Analysis

The case of turnaround of IPL strongly supports the first stage of the theoretical model suggested. The environmental changes triggered by change in the industrial policy of Government of India rendered the company sick. Thus, as suggested by the model, when the company did not respond to the environmental changes, it declined to the extent of sickness.

When IPL was sick, the financial institutions, customers and Suppliers were all exerting disabling forces on the sick organizations. However, unlike what is suggested in the model the internal stakeholders, namely the employees were not exerting disabling forces though it appears that they were also not exerting enabling forces by working to find a solution to the problem. Thus we may need to slightly modify the model to introduce the aspect of neutral forces being exerted by some stakeholders such as employees, collaborators, mass media and industry associations in this case.

The case strongly supports the third stage of the model that purports the central role that a management has to play by taking charge of the situation, planning a strategy and then enabling the turnaround through communication actions. In this case, when Reliance took over IPL, it addressed the core issues of cost competitiveness by introducing a niche product. This, besides investing in funds required the organization to whole heartedly accept the proposition and implement it with great efficiency and quality. This meant addressing issues of resistance to the black dust that had to be managed, to gather momentum and acceptance, to develop faith in the proposal, to downplay the fact that the company had been acquired, to continue to improve the health, quality and safety measures and to improve efficiency by using communication technology interventions.

IPL was able to achieve not just a turnaround but a healthy growth after the turnaround.

As per findings from this study, the model must be changed to indicate that some stakeholders might exert neutral forces. The communication actions employed in the case of IPL are documented against the model in the following Framework 5.7

Framework 5.7

The Match between the CS for OTA framework and the communication strategy of IPL during turnaround

		<div> <div>✕ No</div> <div>— Don't Know</div> <div>✓ Yes</div> <div>NEW - Newly Identify</div> </div>
Theoretical Pattern		Case Pattern
Stakeholder/ Turnaround Element (objective)/		
Possible Communication Action		
1. Board of Directors/ Shareholders		✓
1.1. <i>Gain support and time in the future</i>		—
1.1.1. Present detailed turn-around plan		✓

2. Staff and Employees	✓
2.1. <i>Credibility building actions by the new management</i>	✓
2.1.1. Document, and communicate a strategic turnaround plan	✓
2.1.2. Publicize success in resolving a current crisis or problem	✓
2.1.3. Make decisions transparent	✓
2.1.4. Exercise Communication Control (control on promises rolled out)—	
2.2. <i>Initial Control</i>	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	✓
2.2.2. Exercise Communication Control.	✓
2.2.3. Seek views on the general well being of the employees.	✓
2.3. <i>Mobilization of organization for turnaround</i>	✓
2.3.1. Include key managers for development of industry wisdom	✓
2.3.2. Include only key managers for development of vision	✗
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✓
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✓
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✓
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✓
2.3.8. Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9. Share the pulpit (Empowerment)	✓
2.3.10. Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11. Note any comments or queries and provide answers asap.	✓
2.3.12. CEO must get out of the office to interact with the employees and to listen to them	✓
2.3.13. Employ open ended communication style that encourages employees to find answers, take decisions.	✗
2.3.14. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15. Articulate a few highly concrete targets for the company for the next few months	✓
2.3.16. Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✓
2.3.17. Rephrase people's roles to clarify managerial responsibilities.	✗

2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓	
2.3.19.	Publicize and celebrate every employee and team success.		✓
2.4.	Internal Co-ordination	✓	
2.4.1.	Offer constant feedback to keep organization on track	✓	
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	✓	
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓	
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	—	
2.4.5.	Keep the atmosphere light.	—	
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓	
3.	Unions	×	
3.1.	<i>Negotiation of support of Unions and neutralization of Unions' pressures</i> ×		
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	×	
3.1.2.	Get them to suggest turnaround steps	×	
3.1.3.	Seek support, concessions etc. from the unions	×	
3.1.4.	Evolve jointly a broad turnaround strategy	×	
3.1.5.	Keep unions posted on the progress of the turnaround	×	
4.	Banks and Financial Institutions	✓	
4.1.	<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓	
4.1.1.	Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	✓	
4.1.2.	Get them to suggest turnaround steps	—	
4.1.3.	Seek support, concessions etc. from Banks and/or FIs	✓	
4.1.4.	Evolve jointly a broad turnaround strategy	—	
4.1.5.	Keep Banks and/or FIs posted on the progress of the turnaround	✓	
4.1.6.	<i>Protracted negotiations with the banks and Financial institutions</i>		NEW
4.1.7.	<i>Educate the concerned bank officials on the working of the business/ industry</i>		NEW
4.1.8.	<i>Requires personal interaction of promoter/ top management with Bank senior officials</i>		NEW
5.	Government	✓	
5.1.	<i>Negotiation of support of Government and neutralization of</i>		

<i>Government pressures</i>		✓
5.1.1.	Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2.	Get them to suggest turnaround steps	—
5.1.3.	Seek support, concessions etc. from the government	✓
5.1.4.	Evolve jointly a broad turnaround strategy	—
5.1.5.	Keep the government posted on the progress of the turnaround	✓
5.1.6.	<i>Maintain direct contact; avoid via medias or advisors</i>	<i>NEW</i>
6. Suppliers		✓
<i>6.1. Negotiation of support of suppliers and neutralization of Supplier's pressures</i>		✓
6.1.1.	Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	✓
6.1.2.	Get suppliers to suggest turnaround steps	×
6.1.3.	Seek support, concessions etc. from suppliers	✓
6.1.4.	Evolve jointly a broad turnaround strategy	×
6.1.5.	Keep suppliers posted on the progress of the turnaround	✓
<i>6.2. Build Credibility</i>		
6.2.1.	<i>Commit payments to build credibility</i>	<i>NEW</i>
7. Customers		✓
<i>7.1. Negotiation of support of customers and neutralization of Customer's pressures</i>		✓
7.1.1.	Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	✓
7.1.2.	Get customers to suggest turnaround steps	×
7.1.3.	Seek support, concessions etc. from customers	×
7.1.4.	Evolve jointly a broad turnaround strategy	×
7.1.5.	Keep customers posted on the progress of the turnaround	✓
<i>7.2. Sourcing industry information for quick cost reduction</i>		✓
7.2.1.	Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
<i>7.3. Revenue Generation</i>		✓
7.3.1.	Unfocused advertising and promotion be more sharply focused	✓
7.3.2.	<i>Build Brand Image</i>	<i>NEW</i>

Validating the propositions

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.7 indicates that IPL management addressed 10 (2.1, 2.2, 2.3, 2.4, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3), did not address 1 (3.1) and did not share any information on 1 (1.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the IPL management addressed some of the list of objectives given in the proposed framework but not all. It thus *supports Proposition P_{1A}* .

Proposition P_{1B} : The list of communication objectives given in the proposed theoretical framework is comprehensive

Framework 5.7 indicates that IPL management addressed 10 (2.1, 2.2, 2.3, 2.4, 4.1, 5.1, 6.1, 7.1, 7.2, 7.3), did not address 1 (3.1) and did not share any information on 1 (1.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, for the turnaround of IPL, the list of communication objectives given in the framework was comprehensive. It thus *supports Proposition P_{1B}* .

Proposition P_{2A} : Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.7 indicates that the IPL management addressed 6 (1, 2, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of IPL. The only stakeholder not earmarked as being addressed is the *Union* (3).

The turnaround of IPL therefore *does not support Proposition P_{2A}*

Proposition P_{2B} : The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Framework 5.7 indicates that the IPL management addressed 6 (1, 2, 4, 5, 6, 7) of the 7 critical stakeholders during the turnaround of IPL. The only stakeholder not earmarked as being addressed is the *Union* (3). However, IPL management did not consider any stakeholder other than listed in the framework as critical.

Thus, for the turnaround of IPL the list of critical stakeholders was comprehensive. It thus *supports the Proposition P_{2B}*

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Framework 5.7 indicates that for each of the 10 communication objectives listed in the theoretical framework and addressed by IPL management, at least one communication action listed thereof was employed by the IPL management during turnaround. However, it also indicates 6 new communication actions (4.1.6, 4.1.7, 4.1.8, 5.1.6, 6.1.6, 7.3.2) adopted by IPL management for addressing these 10 communication objectives during turnaround.

Thus, the turnaround of IPL indicates that it employed atleast one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is not comprehensive

Framework 5.7 indicates that IPL management adopted 40 communication actions; did not adopt 13 communication actions; and did not provide information on 7 communication actions of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that IPL management employed 6 new communication actions (4.1.6, 4.1.7, 4.1.8, 5.1.6, 6.1.6, 7.3.2). These actions were not listed in the theoretical framework proposed.

The turnaround of IPL thus suggests that the list of communication actions given in the theoretical framework proposed is not comprehensive. It thus *supports Proposition P_{3B}*.

Case 8

ASIA FAB LIMITED (AFL)

Deciphering Communication during Turnaround

Background

Asia Fab Limited (AFL) was established in 1992 by Black Rose Exports Pvt. Ltd., a trading company engaged in the export of cotton yarn from India. The objective of AFL was to produce and export high quality suiting and other fabrics worldwide using Black Rose's strong communications with Japanese and other textile trading houses. Owing to internal management problems at Black Rose, neither AFL nor Black Rose Exports performed well. (Anup Jatia, Director Black Rose Pvt. Ltd., email communication, April 4 2006). The ownership of Black Rose exchanged hands twice to be finally with Atma Ram Jatia in 1995. Atma Ram Jatia alongwith his son Anup Jatia aspired to develop it as a trading house for textiles and chemicals.

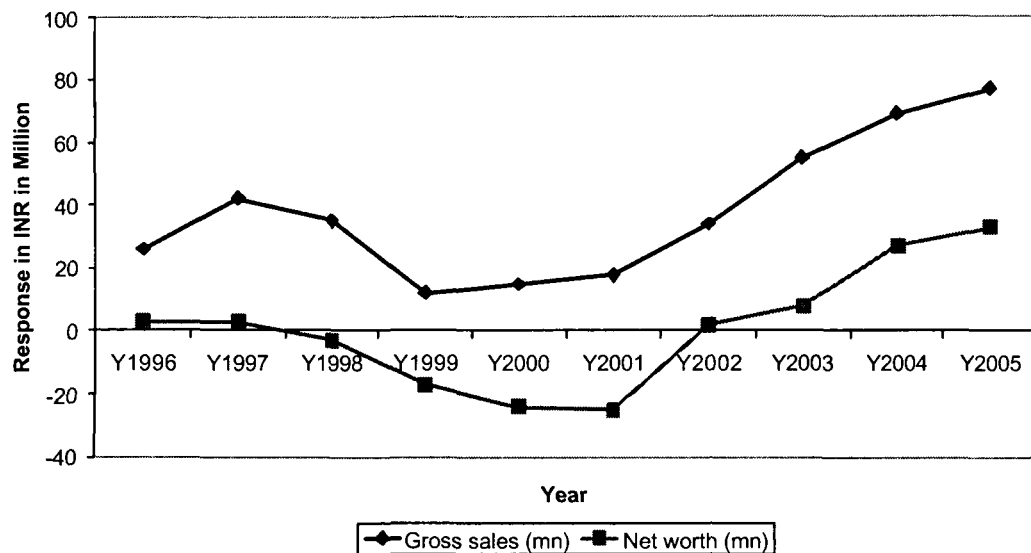
The performance of AFL kept declining and in 1998 the company's networth turned negative. By 2001 it had eroded to INR -25 mn but it turned around in 2002 to INR 2 mn and improved thereafter. (See Table 5.8.1 and Chart 5.8.1).

Table 5.8.1: Performance of AFL during 1996-2005; turnaround in 2002

<i>Asia Fab Ltd.</i>										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gross sales (in mn)	26	42	35	12	15	18	34	55	69	77
Net worth (in mn)	3	3	-3	-17	-24	-25	2	8	27	33

Chart 5.8.1: Performance of AFL during 1996-2005; turnaround in 2002

Asia Fab Ltd.



Unraveling the turnaround

Internal Issues

Jatias after taking over the firm, found that the dyeing unit of the Company was unable to compete in the market place. “This was because competitor companies in the industry were indulging in rampant excise evasion. Since the excise duty was very high at that time, the choice before us was to either join the bandwagon or quit” (Anup Jatia, personal communications, October 18, 2005). Besides, AFL’s dyeing / processing unit capacity was more than the weaving capacity, and hence the variable cost of the dyeing and processing unit was higher than the realization.

The weaving unit was a relatively small labour intensive unit that reaped little returns. Again, the variable costs and the overheads were high and local outsourcing was more cost effective.

There were also issues of lack of accountability owing to *misuse of communication gaps*. “An example is that you send an email and they claim that they haven’t received the email – the server was down, or make some other excuse. What do you do? You install a hotline and then you notice that all the work is communicated on the hotline. Since there are no records, so there is no way to find out who is responsible. To meet this challenge, if the management seeks written communication, then that is an excuse for slowing down the work. So where to draw the line? Because of such

irresponsible behaviour, checks and balances or follow up is extremely important. *Any possibility of communication gap has to be removed so that there can be no excuse for an error*". (Anup Jatia, personal communications, October 18, 2005). There was no desire amongst the workers to work effectively. Crucial to future of the unit was a change of culture – a culture where people wanted to work.

Jatias had decided to continue the weaving unit to weave yarn internally and if need be get it dyed outside and then export it. However, they found it very difficult to function smoothly because the factory was located at Kolhapur and the office in Mumbai. The work culture at the two locations was very different. The systems were not in place both at Kolhapur and Mumbai. Problems were aggravated because the communication was not smooth. *Somewhere in the communication chain, the message was getting lost. Thus, it became extremely difficult to continue operating the office from Mumbai and set up the systems at Kolhapur, the way they wanted. Jatias realized that smooth communication was extremely important in the turnaround process.*

In an attempt to revive the weaving unit (after closing the dyeing unit) the management adopted various communication tools available, such as internet, hotline, telephone line, emails etc. However, they found that since people did not have the intent of using these for the organizational purpose, these were not used for the organizational work and there were innumerable negative effects of communication technology. "Rampant use of SMS, mobile, emails, web downloads for personal use is common practice." (Anup Jatia, personal communications, October 18, 2005)

External Issues: Owing to various internal problems, AFL decided to switch to another product as a turnaround strategy. However, the process of setting up the new product required AFL management to tackle issues with several external stakeholders.

Supplier Issues

"No one was willing to give material to AFL on credit, as AFL's credibility was low. AFL therefore had to build credibility to manage better rates and credit period from suppliers." (Ram Nath, personal communications, October 18, 2005)

Owing to the high quality yarn that AFL needed for its processes, there was a need to educate the suppliers to meet its requirements. "For instance the cotton yarn that one normally gets in India is littered with waste while our process requires a very high quality neat yarn. *The process involved communicating with the suppliers to ensure*

that they have systems to meet this requirement' (Anup Jatia, personal communications, October 18, 2005). Sourcing high quality yarn was crucial to the success of the new product. Creating quality consciousness amongst the suppliers was therefore important.

Customer Issues: AFL had only one customer for its product. This customer was a Japanese organization.

With the Japanese customer, *language was a barrier* and therefore *simple clear communication with a constant eye on feedback to ensure that correct meaning was conveyed* was crucial.

The management maintained that when dealing with Japanese people relationship was very important. So they ensured that AFL employees maintained ***careful, sensitive and consistent communication*** with the customer. This was to be taught to employees so that communication with customer was effective.

Public at large: Since AFL dealt in a security product, they were supposed to neither develop any other customer nor reveal any information to public at large. As per legal requirements, only financial statements were issued for shareholder communication.

Internal Communication Strategy: Jantias decided that they would not step into the swamp of excise evasion or any other illegal activity. Also, they knew they would not be able to compete in the face of heavy excise levied by the Government. The bold decision of closing the dyeing unit was the only option left and they decided to implement it. The dyeing unit was accordingly closed in July 1998.

While there were some labour problems that were to be resolved, broadly the workers were willing to quit. "Shutting down wasn't very tedious because we were ready to pay the workers whatever money the workers were entitled to. Also, legally we had an upper hand because we had gradually reduced our workforce to 100 where after retrenchment is allowed legally." (Anup Jatia, personal communications, October 18, 2005).

Most of the negotiations were handled by factory seniors. These pertained to compensations and some financial disclosures that had to be made. The workers were satisfied because they got their salaries and some extra money.

The management decided to be honest and *transparent. It was announced that all workers would get what they legally deserve. If anyone approached AFL management*

to find out about their or company's future the management minced no words so that the workers could start looking for jobs elsewhere. for the workers who were asked to leave, the management attempted to communicate the company's constraints and plans, and to ease any unrest and facilitate easy and fast transition. The intent was to get it done at the earliest, as there was no point in lingering on with a bleeding unit.

The factory manager *interacted with the workers* at the time of closure. The workers often did not understand the seriousness of the issues. At the time of the 'process house' closure, however, the workers were clear in their financial demands and they were *settled mostly amicably through dialogue*. This made it unnecessary for us to obtain any government approvals. At the time of the weaving unit closure, the workers were being guided by their lawyer, who interacted with the management's lawyer. In this case, too, *there was no need to communicate with any government agency*.

Jatias realized that it was extremely difficult, if not impossible, for them to institute a new culture in Kolhapur while maintaining the corporate office function in Mumbai. Also, considering the various constraints earlier, the Board decided to close the weaving unit in December 2000. During this period they had already started to look for better alternatives to address the cultural and distance communication issues.

Two important issues, that Jatias however recollect from their experience with the Kolhapur dyeing and weaving units were: *need for cultural change and institution of accountability. Critical for enabling this was seamless communication between the management and the employees.*

But the management was just not interested in spending energies to set the communication systems in place. It seemed to be an impossible task to manage the factory from a distant location.

It was therefore, decided that AFL would switch from the current business to a business that ensures *least manual and communication effort at the Kolhapur factory*. "There were close to 200 workers when all the units were in operation. Today there are around 15 in total". (Anup Jatia, email communication, April 4, 2006)

Jatias developed a customer in Japan for a specialized security product⁴² that they decided to manufacture in India. This product required AFL office to procure a very specialized yarn and supply it to the factory. In the factory, this yarn was to go

⁴² Owing to security reasons, AFL did not divulge information of the product and the customer

through a specialized process on a specialized machine, and then be exported to Japan. The difficult part was procurement of specified yarn and this function was retained by the Mumbai office. A highly automated plant was set up at Kolhapur and *few workers were required to man the entire unit. Thus, very little human intervention and thereby very little communication was needed to make it run smoothly.* The function of export of the finished product was retained in the Mumbai office.

The management expected three things from the workers: the workers should not go on strike, they should not form a union and they should not stop production. Therefore, the management made sure that salary levels were maintained. Incentive schemes were also adopted to improve productivity despite the fact that AFL was in red.

The workers were advised to change and accept the new environment. *Concepts of customer satisfaction were repeatedly drilled into the minds of the workers. Simple messages such as importance of cleanliness etc. were put across the premises to create awareness and motivate people to change the workplace to be a better place to work. Infact, people took initiatives to clean up places in the factory and even maintain lawns.*

Instituting professional culture at Mumbai office: Jatias were now only concerned about the culture and work environment at the Mumbai office. *The aims of the communication strategy adopted at Mumbai were to improve accountability, ownership, process flow, efficiency and receiver orientation.*

Improve Process Co-ordination and Communication flow for higher Accountability: Accountability was a serious problem at AFL and Jatias took several measures to improve it. These were:

1. ***Honest and Transparent Communication:*** AFL management believed in **honest and transparent communication** would ensure smooth process flow, reduce errors and improve efficiency. They encouraged people to own up responsibility when they err. Lying to hide petty mistakes was just not acceptable and people could be asked to leave the organization just on that pretext. *I emphasized over and over again that telling the truth makes people strong internally and we demonstrated the through our own actions*". (Anup Jatia, Personal Communication, Oct 18, 2005)

The new management believed in open communications to resolve disputes and sometimes took harsh decisions, if needed.

Feedback Process: There was no formal *Feedback Process* and most of the communication flowed up and down between the adjacent levels in hierarchy though there was informal communication also amongst the employees and the management.

While efforts were made to make people appreciate the importance of clear, honest and transparent communication there were no messages formally coined to instill this attitude in the people's mind.

- 2 *Communication Infrastructure:* The Mumbai office and the factory were connected through a hotline all along and the link was maintained. However, it was stipulated that all official communication was to be documented on the email/mail.

Fresh young and efficient staff and workers who could be groomed to adopt a new culture were recruited. "Today we have very smooth communication flow enabled by LAN, our factory is online, we have a broadband connectivity and everything like supplies, deliveries, couriers etc are technologically tracked. There are no excuses anywhere in the system or process. In fact we use the communication technology to ensure accountability in the system" (Anup Jatia, Personal Communication, Oct 18, 2005)

- 3 *Email as mode of official communication:* AFL installed Lotus notes for internal email communication and Phytheas software for external email communication. The mail gate segregated mail and transferred these to concerned people.

All official communication was over the email. So even if the office layout was open and employees were sitting in adjoining cabins, they were required to send an email for work request. The recipient was expected to respond by the end of the day, whether the task was done, was in process or was not to be done.

- 4 *Monitoring Communication:* A copy of each mail was automatically copied to the directors' account by the server. Since it was not a very large company so reading all mails entailed reading only 400 to 500 emails a day. (each director gets a mail relevant to his/her area).

This according to Anup Jatia had several advantages:

1. Everyone in the company knew that the mails were being copied to his account so there was no element of spying on
2. He provided a backup for any possible lapse.
3. No one used office hours for personal mails. "If they had to send personal mails they could do so from the common area. The inertia was higher in that case and the employees did so, only if necessary."

- 5 *Limited Internet Access:* Broad band connectivity was established but the access was made available only to the Directors and to a terminal in the common area. Therefore, if a person wanted to access the net he/she had to walk upto the common area and access it.

This again had several advantages

1. It restricted usage of internet to organizational purpose. If there was an urgent need, the employee was free to use the internet for personal purposes as well but not otherwise.
2. It made people organize their work and use internet for optimum time.
3. Kept the staff moving and therefore interacting with each other
4. Helped avoid virus problems
5. Issues of unacceptable downloads etc were also checked in this case. "We haven't had any such problem but cases of pornographic material being downloaded are common" warns Anup Jatia. "I know of a case in UK where an employee indulged in downloading child porn material. The management had no clue but when the cyber police discovered, the Company was held accountable for all that's transacted on their network. Such problems I believe can be checked to a large extent, through such simple means" he adds.

- 6 *Documentation for Transparency:* Several Information documentation practices were adopted. These included

- i) The Company believed in continuously *updating employee information*. The HR document stipulates "Salaries of those employees who have not submitted EIF in the month of joining service or who have not submitted the updated EIF in any quarter

ending month, be withheld till the duly filed in forms are received from them". The policy indicates the emphasis this company gives to maintaining updated information systems.

- ii) *Access to information* based on the process flow and position or role in the process flow. Most of this information is on the intranet
- iii) However, policies are not yet formally coined and hence are not posted on the intranet
- iv) To ensure ethical practices AFL insisted that no brokerage be paid to any person who was not a Company approved broker. Head Office accounts had a list of all company approved brokers and their agreements. The Purchase order received from the customer and the AFL invoice endorsed or mentioned the name of the broker.

If the immediate senior was unable to handle the grievance the employees were free to walk into the Director's office and share their concern. Since the number of employees was small, the Director personally attended to the grievance if need be. Most of the Counseling was done by the immediate senior or else the Director, Anup Jatia.

Initially, the mobile phones were used freely in the office. But the management started getting complaints of loud, incessant calls being received by fellow staff members. This went on to the extent that it became a nuisance for others.

The management therefore decided to restrict mobile phones usage to only those who needed the mobile phones for organizational work. This broadly meant that only the sales and marketing staff would use mobile phones in the office. "The office has ten PBX lines and it is easy for anyone to get through. So if any outsider has to speak to our staff, they are welcome to do it over the landlines. We found out that the number of calls reduced significantly, the duration of calls is also reasonable as now the staff knows that unlike the case of mobile phones, where management has no clue of what's happening on that channel, the land line can be monitored, if need be" (Anup Jatia, Personal Communication, Oct 18, 2005)

This has also done away with the nuisance of SMS disturbance. The management sees no reason why employees must keep exchanging SMS for personal reasons as that causes both time wastage and distraction. Next, the issue of MMS was also taken care of as a result.

Initially, there was a resistance especially from those who were constantly hooked on to the mobile phones, but eventually they accepted the decision. Adopting ISO 9000 standards helped AFL to document its vision and processes.

Formal documentation of policies of AFL was still pending. However, *AFL did share the informal documentation of HR policies with the researcher, which the researcher found, appeared to have been adequately circulated.*

External Communications at AFL

An important message that AFL decided to send out to both suppliers and customers was that AFL could be relied on. Credibility building was considered very important and AFL decided to demonstrate that through action.

Supplier Strategy: Initially, when AFL was in the red, the Company's equation with the suppliers was not very smooth. Therefore, AFL made all purchases in cash promptly and slowly they built their credibility with the suppliers and hence their company's image.

The successful production of the new product of AFL was dependant on quality of yarn used. High quality yarn needed was not easily available and required that the suppliers be educated on the quality that the Company sought. Naturally, the management had to educate the suppliers on what they were looking for.

“It was very difficult to explain to the suppliers regarding the quality of yarn required. This is because our yarn is not required for a textile end-use, and textile-related quality parameters are not relevant to us. *We had to explain this by stationing our staff in their factories throughout the entire period that our goods were being produced, by explaining to them how to process the cotton and the yarn or to set their machine parameters in a way that would suit us, etc.* In other words, we had to learn the techniques of yarn production ourselves and *then explain them exactly how to make our yarn.* Despite all our efforts, we often could not procure the quality we needed as some suppliers would change parameters during production to suit themselves and some suppliers would finally not understand the seriousness of our requirements. Further, market forces often made suppliers change their production planning which started affecting our supplies. Currently, therefore, we have concentrated all our production with one supplier who is more dependent on our business, and we procure the raw cotton required and pay them a conversion fee for this business” (Anup Jatia, email communication, April 4, 2006)

Customer Relations: At the customer end too AFL maintained that credibility building was important. for instance, they once sold some material to an international buyer at a specific price. They signed a deal and had to effect the shipment in three months time. After concluding the deal, cost of raw material went up in national and international markets but they did not go back to the buyer. *Infact, they honoured the deal and such actions they think were crucial to building their good-will. These were actions that were strong communications.*

Bridging language and cultural barriers: The sole customer of AFL was a Japanese Company. While the MD Atmaram was stationed in Japan, Anup Jatia traveled and actively managed the show in India. However, Anup Jatia was born and brought up in Japan. He therefore not only spoke and understood Japanese language but also understood the Japanese culture. He knew their needs and made sure that they are met. To do this, he continuously educated and monitored his staff to ensure smooth communication for trustworthy relationship. “I know the Japanese work on trust in relationships. It is therefore important to have patience in the initial phase and build relationships. Once you are part of the chain, it is extremely difficult for a competitor to replace you. *No small time notary incentives can lure them so long as you are clear in your communication and relationship. Since they are not very conversant with the English language, language usually is a big barrier. I have to constantly keep reminding my own people to speak very slowly and clearly to them*” shares Jatia.

Others Stakeholders: Shareholder Communications were not considered of significance and a short annual report was published to share annual financial details as per legal requirements. AFL also did not feel the need to interact with the **Government of India** for any reason. There was also no need felt to interact with the **Industry Associations or any international Agency.**

AFL product was raw material for a security product and it had only one customer in Japan. The product was such that the Japanese customer was the only customer and there were only two suppliers across the world. *There was no need for mass communication. In fact, owing to security reasons it could be damaging to the business. So AFL had no brochures, no advertising and no other mass communication strategies. for the same reason, AFL did not develop a website.*

Integrating the External and Internal strategy

It was pertinent to integrate internal and external communication strategy. The Japanese culture and language was distinctively different from that of Indians. The work orientation and communication style was different. for smooth functioning it was essential to bridge the gap. Also, to establish transparency, integration was essential. “For instance, if one wanted to communicate to the customer that one is highly credible then there is need to build the culture internally for being actually credible and that *requires continuous communication through word and action to demonstrate how it works and how important it is for the organization to own this behaviour*”. (Anup Jatia, personal communication, Oct 18, 2005)

The management educated their people on Japanese culture and language. The director, Anup Jatia, himself pitched in whenever required.

The management discreetly accepts that HR was a crucial shortcoming. With poor HR, no communication strategy could be successfully implemented. *As a result, it was decided to focus on activities which required less HR and less communication. In other words, the communication strategy adopted was to keep it on a need-to-know basis, and to keep it very simple, so as to not let any misunderstandings (intentional or unintentional) to affect the functioning of the business.*

Analysis

The case of the turnaround of AFL supports the first stage of the theoretical model proposed in Figure 3.1. It reveals how owing to the rampant excise evasion in the textile industry, AFL failed to compete and had to finally close down its dyeing unit. Also, owing to the poor work environment, lack of smooth internal communications and lack of management control on factory premises, the weaving unit also had to be closed down. Thus, the case demonstrates how environment and managerial decisions impacted AFL and led to its decline. Thus the case supports stage 1 of the theoretical model.

Lack of accountability and a de-motivated workforce along with the suppliers awaiting payments were all exerting disabling forces on the sick enterprise. The case thus supports stage 2 given in Figure 3.2 of the theoretical model proposed.

AFL management installed an automated plant at Kolhapur (the distant factory location) and adopted communication technologies and various other communication actions such as educating on cross cultural communication and the likes to enable the

turnaround. The case thus also supports stage 3 of the theoretical framework suggested in this study. The list of communication actions adopted to enable the turnaround elements is given below Framework 5.8:

Framework 5.8

The Match between the CS for OTA framework and the communication strategy of AFL during turnaround

✕ No	— Don't Know	✓ Yes	NEW - Newly Identify
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Theoretical Pattern

Case Pattern

Stakeholder/ Turnaround Element (objective)/

Possible Communication Action

1. Board of Directors/ Shareholders	✕
1.1. Gain support and time in the future	✕
1.1.1. Present detailed turn-around plan	—
2. Staff and Employees	✓
2.1. Credibility building actions by the new management	✕
2.1.1. Document, and communicate a strategic turnaround plan	✕
2.1.2. Publicize success in resolving a current crisis or problem	✕
2.1.3. Make decisions transparent	✓
2.1.4. Exercise Communication Control (control on promises rolled out) ✓	
2.2. Initial Control	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	✓
2.2.2. Exercise Communication Control.	✓
2.2.3. Seek views on the general well being of the employees. (informally-new)	✓
2.3. Mobilization of organization for turnaround	✓
2.3.1. Include key managers for development of industry wisdom	✕
2.3.2. Include only key managers for development of vision	✕
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✕
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✕
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✓
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✕

2.3.8.	Ensure all employees know what is going on, for what reason and how it will occur.	✗	
2.3.9.	Share the pulpit (Empowerment)	✗	
2.3.10.	Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓	
2.3.11.	Note any comments or queries and provide answers asap.	✓	
2.3.12.	CEO must get out of the office to interact with the employees and to listen to them	✓	
2.3.13.	Employ open ended communication style that encourages employees to find answers, take decisions.	✗	
2.3.14.	Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓	
2.3.15.	Articulate a few highly concrete targets for the company for the next few months	✓	
2.3.16.	Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✗	
2.3.17.	Rephrase people's roles to clarify managerial responsibilities.	✗	
2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓	
2.3.19.	Publicize and celebrate every employee and team success.		✗
2.4.	Internal Co-ordination	✓	
2.4.1.	Offer constant feedback to keep organization on track	✓	
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	✗	
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓	
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	✗	
2.4.5.	Keep the atmosphere light.	✗	
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓	
2.4.7.	Exercise control on communication technology		NEW
3.	Unions	✓	
3.1.	Negotiation of support of Unions and neutralization of Unions' pressures	✗	
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✗	
3.1.2.	Get them to suggest turnaround steps	✗	
3.1.3.	Seek support, concessions etc. from the unions	✗	
3.1.4.	Evolve jointly a broad turnaround strategy	✗	

3.1.5.	Keep unions posted on the progress of the turnaround	×
3.2.	<i>Managing retrenchment of a dying unit</i>	<i>NEW</i>
3.2.1.	<i>Make it clear to the workers that the management would ensure a fair deal for them</i>	<i>NEW</i>
3.2.2.	<i>Let a manager who has dealt with workers and enjoys their goodwill handle the negotiations</i>	<i>NEW</i>
3.2.3.	<i>Do not hide the decision of closing down the unit, from anyone who enquires</i>	<i>NEW</i>
4.	Banks and Financial Institutions	
4.1.	<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	—
4.1.1.	Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	—
4.1.2.	Get them to suggest turnaround steps	—
4.1.3.	Seek support, concessions etc. from Banks and/or FIs	—
4.1.4.	Evolve jointly a broad turnaround strategy	—
4.1.5.	Keep Banks and/or FIs posted on the progress of the turnaround	—
5.	Government	
5.1.	<i>Negotiation of support of Government and neutralization of Government pressures</i>	×
5.1.1.	Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	×
5.1.2.	Get them to suggest turnaround steps	×
5.1.3.	Seek support, concessions etc. from the government	×
5.1.4.	Evolve jointly a broad turnaround strategy	×
5.1.5.	Keep the government posted on the progress of the turnaround	×
6.	Suppliers	✓
6.1.	<i>Negotiation of support of suppliers and neutralization of Supplier's pressures</i>	✓
6.1.1.	Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	✓
6.1.2.	Get suppliers to suggest turnaround steps	×
6.1.3.	Seek support, concessions etc. from suppliers	✓
6.1.4.	Evolve jointly a broad turnaround strategy	×
6.1.5.	Keep suppliers posted on the progress of the turnaround	×
6.2.	<i>Build Credibility</i>	
6.2.1.	<i>Commit payments to build credibility</i>	<i>NEW</i>
6.2.2.	<i>Always keep your word</i>	<i>NEW</i>
6.3.	<i>Ensure desirable quality of raw material supplied</i>	<i>NEW</i>

6.3.1.	<i>Ensured regular educating sessions for ensuring quality</i>	<i>NEW</i>
6.3.2.	<i>Posted quality managers at the supplier site</i>	<i>NEW</i>
7.	Customers	✓
7.1.	<i>Negotiation of support of customers and neutralization of Customer's pressures</i>	×
7.1.1.	Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	×
7.1.2.	Get customers to suggest turnaround steps	×
7.1.3.	Seek support, concessions etc. from customers	×
7.1.4.	Evolve jointly a broad turnaround strategy	×
7.1.5.	Keep customers posted on the progress of the turnaround	×
7.2.	<i>Ensure smooth cross cultural communication with customer</i>	<i>NEW</i>
7.2.1.	<i>Continuously educate employees on customer's cultural values</i>	<i>NEW</i>
7.2.2.	<i>Continuously educated employees on bridging language barriers with foreign customer</i>	<i>NEW</i>
7.2.3.	<i>Continuous monitoring of all employee's communications with customer to cover up noise due to cultural and language differences</i>	<i>NEW</i>
7.3.	<i>Sourcing industry information for quick cost reduction</i>	×
7.3.1.	Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.4.	<i>Revenue Generation</i>	×
7.4.1.	Unfocused advertising and promotion be more sharply focused	×

Validating the propositions

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.8 indicates that AFL management addressed 4 (2.2, 2.3, 2.4, 6.1), did not address 7 (1.1, 2.1, 3.1, 5.1, 7.1, 7.3, 7.4) and did not share any information on 1 (4.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the AFL management addressed some of the objectives listed in the proposed framework but not all. It thus *supports Proposition P_{1A} .*

Proposition P_{1B} : The list of communication objectives given in the proposed theoretical framework is comprehensive

Framework 5.8 indicates that AFL management addressed 4 (2.2, 2.3, 2.4, 6.1), did not address 7 (1.1, 2.1, 3.1, 5.1, 7.1, 7.3, 7.4) and did not share any information on 1 (4.1) of the 12 communication objectives listed in the theoretical framework proposed. However, AFL management additionally addressed 3 new communication objectives (3.2, 6.2, 7.2) during turnaround.

Thus, for the turnaround of AFL, the list of communication objectives given in the framework is suggestive but not comprehensive. It thus *does not support Proposition P_{1B}*.

Proposition P_{2A}: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.8 indicates that the AFL management addressed 4 (2, 3, 6, 7) of the 7 critical stakeholders during the turnaround of AFL. 2 stakeholders (1, 5) are earmarked as being not addressed while information for 1 stakeholder (4) was not made available to researcher.

The turnaround of IPL therefore *supports Proposition P_{2A}*.

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Framework 5.8 indicates that the AFL management addressed 4 (2, 3, 6, 7) of the 7 critical stakeholders during the turnaround of AFL. 2 stakeholders (1, 5) are earmarked as being not addressed while information for 1 stakeholder (4) was not made available to researcher. However, AFL management did not consider any stakeholder other than listed in the framework as critical.

Thus, for the turnaround of AFL, the list of critical stakeholders was comprehensive. It thus *supports the Proposition P_{2B}*.

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Framework 5.8 indicates that for each of the 4 communication objectives listed in the theoretical framework and addressed by AFL management, at least one communication action listed thereof was employed by the AFL management during turnaround. However, it also indicates 11 new communication actions (2.4.7, 3.2.1, 3.2.2, 3.2.3, 6.1.6, 6.1.7, 6.2.1, 6.2.2, 7.2.1, 7.2.2, 7.2.3) adopted by AFL

management for addressing one of these (6.1) and 3 new (3.2, 6.2, 7.2) communication objectives during turnaround.

Thus, the turnaround of AFL indicates that it employed atleast one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.8 indicates that AFL management adopted 19 communication actions; did not adopt 35 communication actions; and did not provide information on 6 communication actions of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that AFL management employed 11 new communication actions (2.4.7, 3.2.1, 3.2.2, 3.2.3, 6.1.6, 6.1.7, 6.2.1, 6.2.2, 7.2.1, 7.2.2, 7.2.3). These actions were not listed in the theoretical framework proposed.

The turnaround of AFL thus suggests that the list of communication actions given in the theoretical framework proposed is not comprehensive. It *thus does not support Proposition P_{3B}*.

Case 9

NAMBURNADI TEA CO. LTD.

Deciphering communication during turnaround

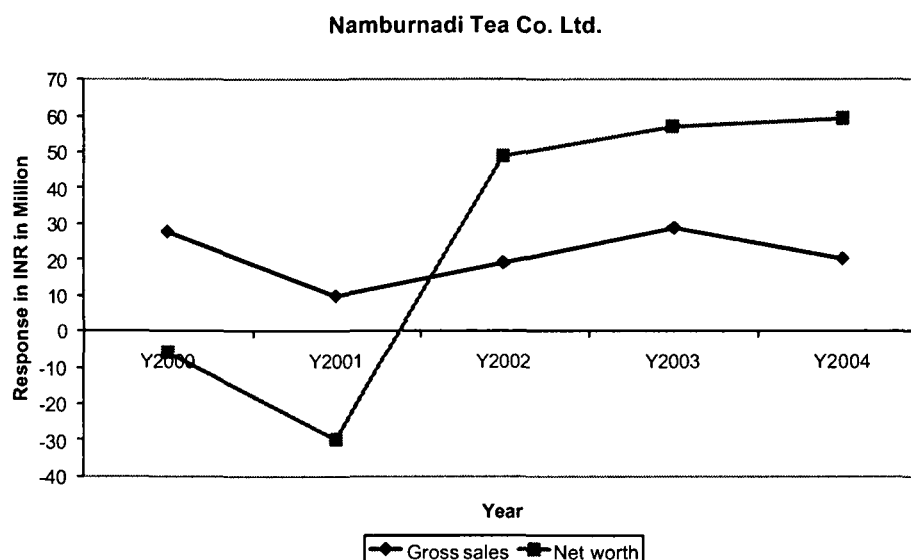
Background

Namburnadi Tea Company Ltd (NTCL) located in Assam⁴³ was a British Company that was bought by the Saharia Group in 1970s. Towards the end of 1990s, NTCL started running into losses. However, NTCL had a lot of virgin land which was very suitable for tea plantation. Land was in short supply in Assam. The quantum of produce that was possible by extra plantation lured Assam Tea Company Ltd. (ATCL) to acquire NTCL in 2001. However, by this time the networth of the company had eroded to INR (30) mn. The new management turned around the Company & the networth increased to INR 49mn in 2002. NTCL performance consistently improved thereafter (See Table 5.9.1 and Chart 5.9.1).

Table 5.9.1: Performance of NTCL during 2000-2004; turnaround in 2002

<i>Namburnadi Tea Co. Ltd.</i>					
	2000	2001	2002	2003	2004
Gross sales	28	10	19	29	20
Net worth	-6	-30	49	57	59

Chart 5.9.1: Performance of NTCL during 2000-2004; turnaround in 2002



⁴³ Assam is a north-eastern state of India

Unraveling the turnaround story

A team of four members of ATCL visited the NTCL tea gardens to take note of all aspects that demanded immediate attention. The internal and external issues identified were as follows:

Internal Issues

Employees: The various issues pertaining to employees were as follows:

Misappropriation of funds and resources: It was during physical verification carried out by the team that the new management found a large number of assets missing. It was found that when the erstwhile promoter was on the verge of bankruptcy, he decided to sell off the Company. A third party at this time, offered to provide them loan to pay salaries to the workers and also to induct a manager for due diligence to decide whether or not to buy the garden. The promoter agreed and thus the manager, a nominee of the third party, was taken on board. This manager however, developed vested interests. He took over some land from the neighbourhood and a part of the input coming to the garden was sneaked to this adjoining garden. This set the rotting process mentioned above, rolling.

A group of clerks, union leaders and a few others on the estate along with the manager cheated the workers and continued to pocket their dues. Be it wages, medicines or food allowances, everything was misappropriated while the uneducated worker did not know how to deal with the rampant exploitation. “Almost 50% of the PF was gobbled by the coterie of men cheating the workers” (Amir Ahsan, Director Incharge, personal communications, March 24, 2006)

Low Worker Morale: Payments long overdue: There was much to be done at the worker’s front as well. NTCL had not paid the gratuity to retired employees for several years. It had therefore, taken these retired workers on rolls. Morale of the employees was an all time low. They had a feeling that sooner or later the estate would close down.

Besides, tea gardens were big vote banks. NTCL had approximately 1500 to 2000 workers which no political party liked to ignore. Naturally, shades of politics were seen on the estate as well. “For instance, an MLA who happened to be the son of a worker, lived in the garden and initially attempted to mislead the workers to project himself as the sole savior. This was a tough challenge. Further, terrorism in Assam naturally had implications for the estate dwellers.” (Amir Ahsan, personal communications, March 24, 2006)

“Politics, cheating, exploitation, no work – name the ill and it was there.” (Amir Ahsan, personal communication, March 24, 2006)

Deteriorating Quality of the produce: There had been no fund infusion in the company for a long time. Essential jobs such as adding requisite fertilizers & nutrients in the soil had not been undertaken for over three to four years. The garden had gone back to infancy stage. The workers had forgotten simple things such as the proper technique of plucking leaves. Productivity was as low as 13 kg per day per person. Living conditions were poor. Thus, when ATCL took it over from Saharia Group in 2001, NTCL was a case of vested interests and sheer mismanagement.

Inadequate Communication Infrastructure in North-Eastern states of India: In Assam, especially in this area, communication and movement was a big problem. BSNL which had ignored North Eastern part of India (NE) later enabled phone links and internet connectivity. “But every other day there is a strike for one reason or another”. (Abhay Chowdhary, CFO ATCL, personal communication, Dec 14, 2005)

Lack of trust in Management: The management at NTCL, for years together was corrupt and had exploited the workers. Naturally, the workers had little reason to believe that the new management would be any different. Also there were always some elements to promote anti-establishment sentiment for varied personal interests.

Shareholders: ATCL bought 92% shares of NTCL. Thus, there were no other significant share holders. Hence, there was no significant communication with the shareholders except as per statutory requirements.

External Issues

Banks: NTCL had a major default with Allahabad bank and the account was classified as an NPA. ATCL had to clear the accounts and also fetch more funds to further the business.

Government: The Government of Assam provided subsidy for re-plantation of damaged bushes. Since the bushes in NTCL were old and mal-nutrition, the new management had to convince the Tea Board that there was a need to replace the bushes and claim re-plantation subsidy.

Customer: NTCL had not been producing good quality tea for some time. Naturally, the image of the company was tarnished and there was need to re-build the same. Since, ATCL intended to export NTCL Tea, NTCL image was to be promoted abroad as well.

Internal Communications at NTCL

If there is one mantra that Ahsan recommends, it is the need to back verbal communication with real time action. This he insists is the only way to build credibility which is crucial for a turnaround. “If you say something, do it on high priority. for instance if in a meeting you insist that you will ensure justice and will be tough on those who perpetuate injustice, then make sure you find out the corrupt people and take tough action. In our case, we sacked three corrupt employees. This can be tough as such people would usually have a clout and the general public is scared of dealing with them.

Yet another instance was owing to politics in the garden, which too had to be dealt with very firmly. “We went to the MLA on the garden (mentioned earlier) and told him that we were ready to talk on any of the issues or show to him our plans or talk to him over dinner, if need be. However, if he tried to disestablish then we will have to fight back and sort him out. The message was clear that the management would not permit him to have his way”. (Amir Ahsan, personal communications, March 24, 2006).

However, if the management has committed it must stand by it. “*People are weary of those who talk, make several promises and do not deliver. However, if the employees see that action follows the talk, the trust can be built.*” Ahsan explains with another example, “If you promise to improve some working condition, say, get tractors in 10 days and in return ask for increased productivity then make sure that the tractors arrive within the 10 days and no later. Only then, can (or should) an issue of productivity be raised.”

Thus, building credibility was the single foremost goal that NTCL turnaround management set for itself. Once that came through, the rest followed.

Day-to-day monitoring: A check on pilferage: Considering that the Company taken over was sick owing to lack of vigilant monitoring on a day-to-day basis, a deputy manager who was incharge of Hajua (ATCL’s best tea estate) was promoted and sent there as manager NTCL and an accountant was appointed to set right the records and check pilferage.

Strict action was taken against the corrupt employees. *This sent a positive message through the garden* and workers started to notice the management action.

SC Ghosh, who had extensive experience in managing tea estates, was appointed as the visiting Director. *He had frequent meetings with the workers and the union*

officials (every 15 to 20 days) to ensure that the plans were followed and targets were met. No numbers were arrived at but the progress and cost savings were indicators of the success of communication.

Addressing Grievances and boosting morale: A message of revival had to be sent through the garden to revive hope and to encourage an effort for revival. *The labour in the garden did not understand vision and mission statements. The message for them was that the management will take care of all their statutory dues and they must improve the garden. “We told them that their association with the garden has been for several generations and thus they must extend support to improve it. Thus, we asked for support and felt that since they are more closely associated they would extend it”* (Abhay Choudhary, personal communications, December 14, 2006)

In a tea garden, the worker is entitled to free or subsidized supplies of food, medicines, schooling, health care etc. The management restored the rights of the workers. *The dialogue to settle the dues of the workers also started. NTCL management philosophy was that ‘ignoring injustice amounts to being part of it’.* Therefore, they laid down processes such as opening bank accounts, educating them on operating accounts, ensuring PF was given and the likes. “The image that one builds is that if this management stays our rights will be looked after. Then everything falls in place.” (Amir Ahsan, personal communications, March 24, 2006)

200 acres of fresh area was planted. This called for investment and concerted effort. It therefore demonstrates the managements’ desire and intent to stay there for good. Also, the living conditions of the workers improved and they naturally became positively inclined towards the new management.

It took them one and a half year of continuous demonstration of intent to improve the garden and gain worker trust. However, when the expenses became very high and they explained the problems to the workers, the latter offered to accept minimum wages and minimum bonus (a cut of 20% on each for contractual employees) for a span of three years. Ahsan insists that it was an offer and not a decision forced on the workers. He claims that this is evidence of what success credibility can bring with it.

The agreement was till December 31 2005 and from January 1 2006 the Company has restored normal salaries of the employees.

Workers were encouraged to take several measures through programmes such as family planning, fight malaria, clean environment etc. and the management provided support for all such actions. This endeared the management to the workforce.

Who did it? Ahsan, had previously been a deputy manager and later manager before rising to the post of a director of tea estates of NTCL. He, therefore, had considerable experience in running tea estates and handling labour. He was like an advisor at the top. *He had very good communication skills and could relate to the needs and desires of the people on the garden. The Manager alongwith the newly appointed deputy manager had several meetings with the labour unions.* Realizing that the workers were an uneducated lot, it was *important to reach them through representatives. The new team thus met the Sardars regularly to explain to them various issues and encouraged them to take a proactive role in boosting the morale and efficiency of the workers.*

The labour unions and sardars understood the situation and were very cooperative. "They ensured that after the takeover the new management did not face much problem." (Abhay Choudhary, personal communications, December 24, 2006) *While the deputy manager and accountant were on the job day-to-day, SC Ghosh had frequent meetings with them and the union officials (every 15 to 20 days) to ensure that the plans were followed and targets were met. Protracted negotiations took place among SC Ghosh, Ahasan, the Union Leader and the Sardars. Gratuity liability was phased out (in installments) and the union agreed to minimum bonus for the workers until the estate had started doing well.*

Besides meeting the managers or committees once in 3 to 4 months, Ahsan insisted on having a direct communication with the workers. "For instance, I would stand next to a queue and share some developments. Listen to how they responded and this gave great insights and also a confidence and link with the worker. Direct and informal communication also played an important role." (Amair Ahasan, personal communications, March 24, 2006).

Two-way communication model for regular feedback: According to ATCL, *good communication implied exchange of right information between relevant people at the right time (information load). It was important that the information was accurate, timely and at the same time it did not cause an overload. Thus, information was not disseminated indiscriminately but was collated to make it available in the background so that anyone who requires the information can easily access the same.*

ATCL ensured this by implementing the two-way communication model (the model is documented) at NTCL. forms to carry out regular communication were designed and made available. According to this model, NTCL sent supplies to the Head Office (HO) at Kolkata, the HO continuously sent to them the tea quality reports, the price it

was able to fetch alongwith comments and directions on how these could be improved in future on daily, weekly and monthly basis. Thus, constant monitoring of the estate took place through this model. Also, the estate managers remained posted on the market feedback to their produce and clear information on scope for improvement was available.

Training for Skill Building: Training was thus organized to train them on identifying or appreciating tea leaf quality and how to pluck the leaves. Training for improving the manufacturing process was also organized.

Improving Productivity: This again was a joint effort. *Committees were organized to see how productivity could be enhanced.* for instance, when the workers pointed out that they had to carry their leaves to a long distance to have them weighed every day, the management opened some of the roads and arranged tractors for the workers to make the process easier and faster for them. Similar measures increased the productivity from 13 kg per day per person to 21.8 kg per day per person. *Thus, listening carefully to the workers helped in improving productivity.*

Ensuring Communication Infrastructure: *Since, in the North-Eastern states of India, both communication and travel infrastructure were not well developed, ATCL extended its V-SAT facility to maintain email link with the estate. In event of frequent strikes or faulty phone lines, the communication link was up and running. This was more so because communication was considered important and inferior communication infrastructure in the North-Eastern states of the country had to be taken care of.*

The garden was then connected to the internet. The inhouse web-enabled intranet was set-up to serve as the backbone of the information flow mechanism at the NTCL. The priority, needs and access rights were designed as per the needs of the garden. NTCL considered communication as extremely important and herefore made concerted efforts to enable multilocation ERP package. All ATCL estates have adopted Harvest IT ERP package, a package designed specifically for tea estates. Thus, like other gardens of ATCL, NTCL also adopted the single estate ERP package, which was fully functional. However, ATCL has been facing technical problems in establishing multilocal ERP package but is working towards it.

External Communications at NTCL

Bankers: The new management paid off all dues to Allahabad Bank and got new financing from PNB. This, however, required ATCL/ NTCL to sell its ideas to PNB.

Several meetings and presentations were organized. A PNB representative visited the estate once in ten months. A corporate guarantee from the parent Company was also given to get the financing approval. Regular information such as monthly stock statements, sales status reports etc had to be submitted to maintain their confidence.

Government: The Government of Assam offered subsidy on replanting old bushes. To avail this subsidy ATCL attempted to convince the TEA Board of the Government of Assam. “NTCL however has not yet received the replanting subsidy”. (Amir Ahsam, personal communications, March 24, 2006).

Suppliers: There were three types of suppliers to NTCL – suppliers of fertilizers, machine components and machines⁴⁴. According to the sale agreement with NTCL, its erstwhile owner had to settle the accounts with the suppliers. The new management therefore started afresh and thus employed services of existing suppliers of ATCL.

This was because ATCL had 16 gardens and bought supplies in bulk, which gave them better rates and hence cheaper supplies.

Customers: ATCL sold tea through two channels – directly to companies such as HLL, Tata, Tetley, Grinard or various brokers and through auction houses. The same policy was adopted for NTCL as well.

Extensive one-to-one communication with the auction houses and the private customers was undertaken. But most of it was selling and not marketing the product. Both cost and quality were important. Understanding of tastes of different regions was important. Thus, the sales effort involved sending samples of the NTCL tea alongwith competitive prices. The platform used was that of ATCL.

In foreign markets, Dunken McNeil were agents of ATCL. They marketed tea globally and NTCL tea was also sold in foreign markets through them.

Industry Associations: NTCL was a member of Indian Tea Association and Tea Association of India, the two major tea associations in Assam. Companies conveyed their views to the Government through these associations. However, this membership did not play any role in the process of turnaround.

Other stakeholders: NTCL had no agency or principals to work with nor did it seek or get any aid from any international agencies. Since the Company was not

⁴⁴ machines such as Rolling, CTC, Drying and Sorting machines

ready for any kind of media coverage, media relations were not promoted. Public at large was also not a customer as the sales were through brokers or to institutions.

Surrounding the tea garden were villages that had small hotels, restaurants and other businesses that heavily depended on the well-being of the garden workforce. As the living conditions in the garden improved it started impacting the lives of the villagers. “After 3 to four years of takeover, we started receiving a pleasant nod from these villagers. This was an acknowledgement of our good work” shares Ahsan with a sense of deep satisfaction though he insists that they still have to go a long way.

Analysis

The turnaround of NTCL supports the first stage of the theoretical framework suggested in this study in Figure 3.1. While the case does not suggest any external environmental changes to have impacted the organization or its managerial decisions but it does implicate faulty managerial decisions for the decline of the Company. The faulty decisions were owing to resource constraints and lack of interest of the management in turning around the Company. The impact of the managerial decisions caused the organization to deteriorate to the extent of sickness. Thus the case supports the first stage of the theoretical model that is demonstrated in Figure 3.1.

When NTCL was sick there were disabling forces exerted by corrupt employees who employed unethical means to cheat the workers. The workers themselves were demotivated and had forgotten the skill required for performing their jobs. Political forces were also getting nurtured. Banks had classified it as an NPA and its image amongst the customers was tarnished. Thus, there were disabling forces exerted by various external and internal stakeholders that were much stronger than the feeble enabling forces exerted by government (offering assistance for re-plantation) etc. Thus the case of turnaround of NTCL supports the second stage of the theoretical model suggested in this study and shown in Figure 3.2.

When ATCL acquired NTCL, the new management assumed the central responsibility for turning around the company. It then enabled several turnaround elements by strategizing and interacting with various stakeholders. Credibility building, initial control, coordination, mobilization of organization, negotiations with unions, dealing with banks, suppliers and customers were all turnaround elements enabled through communication actions during the process of turnaround of NTCL. These communication actions are listed in the Framework 5.9 given below. Thus the

case of NTCL strongly supports the stage 3 of the theoretical model proposed in this study.

Framework 5.9

The Match between the CS for OTA framework and the communication strategy of NTCL during Turnaround

✗ No	— Don't Know	✓ Yes	NEW - Newly Identify
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Theoretical Pattern

Case Pattern

Stakeholder/ Turnaround Element (objective)/

Possible Communication Action

1. Board of Directors	✓
1.1. <i>Gain support and time in the future</i>	✓
1.1.1. Present detailed turn-around plan	✓
2. Staff and Employees	
2.1. <i>Credibility building actions by the new management</i>	✓
2.1.1. Document, and communicate a strategic turnaround plan	✓
2.1.2. Publicize success in resolving a current crisis or problem	✓
2.1.3. Make decisions transparent	✓
2.1.4. Exercise Communication Control	✓
2.2. <i>Initial Control</i>	✓
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	✓
2.2.2. Exercise Communication Control.	✓
2.2.3. Seek views on the general well being of the employees.	✓
2.2.4. <i>Confront employees attempting anti-establishment sentiment</i>	NEW
2.3. <i>Mobilization of organization for turnaround</i>	✓
2.3.1. Include key managers for development of industry wisdom	✗
2.3.2. Include only key managers for development of vision	✗
2.3.3. CEO should deliver the vision presentation in person and as often as possible.	✗
2.3.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	✗
2.3.5. Inject urgency in the communications plan. Explain what needs to be done and why	✓
2.3.6. Listen to the views of all managers. Gauge their reaction	✓
2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	✗

2.3.8.	Ensure all employees know what is going on, for what reason and how it will occur.	✓
2.3.9.	Share the pulpit (Empowerment)	✓
2.3.10.	Deal with concerns of employees in open and honest manner. Offer Follow up sessions	✓
2.3.11.	Note any comments or queries and provide answers asap.	✓
2.3.12.	CEO must get out of the office to interact with the employees and to listen to them	✓
2.3.13.	Employ open ended communication style that encourages employees to find answers, take decisions.	✓
2.3.14.	Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	✓
2.3.15.	Articulate a few highly concrete targets for the company for the next few months	✓
2.3.16.	Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	✓
2.3.17.	Rephrase people's roles to clarify managerial responsibilities.	✗
2.3.18.	Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	✓
2.3.19.	Publicize and celebrate every employee and team success.	✓
2.4.	Internal Co-ordination	✓
2.4.1.	Offer constant feedback to keep organization on track	✓
2.4.2.	Set up co-ordination committees for co-ordinating interdependent departments	✗
2.4.3.	Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	✓
2.4.4.	Insist that lower level disputes be settled at that level on a face to face basis	✗
2.4.5.	Keep the atmosphere light.	—
2.4.6.	Keep enhancing communication technology – email, mobile, ERP	✓
3.	Unions	✓
3.1.	Negotiation of support of Unions and neutralization of Unions' pressures	✓
3.1.1.	Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	✓
3.1.2.	Get them to suggest turnaround steps	✓
3.1.3.	Seek support, concessions etc. from the unions	✓
3.1.4.	Evolve jointly a broad turnaround strategy	✓
3.1.5.	Keep unions posted on the progress of the turnaround	✓

4. Banks and Financial Institutions	✓
4.1. <i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	✓
4.1.1. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	×
4.1.2. Get them to suggest turnaround steps	×
4.1.3. Seek support, concessions etc. from Banks and/or FIs	✓
4.1.4. Evolve jointly a broad turnaround strategy	×
4.1.5. Keep Banks and/or FIs posted on the progress of the turnaround	✓
4.1.6. <i>Educate the concerned bank officials on the working of the business/ industry</i>	NEW
5. Government	✓
5.1. <i>Negotiation of support of Government and neutralization of Government pressures</i>	✓
5.1.1. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	✓
5.1.2. Get them to suggest turnaround steps	×
5.1.3. Seek support, concessions etc. from the government	✓
5.1.4. Evolve jointly a broad turnaround strategy	×
5.1.5. Keep the government posted on the progress of the turnaround	×
6. Suppliers	×
6.1. <i>Negotiation of support of suppliers and neutralization of suppliers' pressures</i>	×
6.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	×
6.1.2. Get suppliers to suggest turnaround steps	×
6.1.3. Seek support, concessions etc. from suppliers	×
6.1.4. Evolve jointly a broad turnaround strategy	×
6.1.5. Keep suppliers posted on the progress of the turnaround	×
7. Customers	✓
7.1. <i>Negotiation of support of customers and neutralization of customers' pressures</i>	✓
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	×
7.1.2. Get customers to suggest turnaround steps	✓
7.1.3. Seek support, concessions etc. from customers	×
7.1.4. Evolve jointly a broad turnaround strategy	×
7.1.5. Keep customers posted on the progress of the turnaround	✓

7.2. <i>Sourcing industry information for quick cost reduction</i>	✓
7.2.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	✓
7.3. <i>Revenue Generation</i>	
7.3.1. <i>Unfocussed advertising and promotions be more sharply focussed</i>	✓
7.3.2. <i>Build Brand Image</i>	NEW

Validating the propositions

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Framework 5.9 indicates that NTCL management addressed 11 (1.1, 2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 7.1, 7.2, 7.3) and did not address 1 (6.1) of the 12 communication objectives listed in the theoretical framework proposed.

Thus, the NTCL management addressed some of the objectives listed in the proposed framework but not all. It thus *supports Proposition P_{1A}* .

Proposition P_{1B} : The list of communication objectives given in the proposed theoretical framework is comprehensive

Framework 5.9 indicates that NTCL management addressed 11 (1.1, 2.1, 2.2, 2.3, 2.4, 3.1, 4.1, 5.1, 7.1, 7.2, 7.3) and did not address 1 (6.1) of the 12 communication objectives listed in the theoretical framework proposed. However, NTCL management did not address any communication objective other than those listed in the theoretical framework proposed.

Thus, for the turnaround of NTCL, the list of communication objectives given in the framework is comprehensive. It thus *supports Proposition P_{1B}* .

Proposition P_{2A} : Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.

Framework 5.9 indicates that the NTCL management addressed 6 (1, 2, 3, 4, 5, 7) of the 7 critical stakeholders during the turnaround of NTCL. 1 stakeholders (6 – supplier) is earmarked as being not addressed. However, NTCL management did not consider any stakeholder other than listed in the framework as critical.

The turnaround of NTCL therefore *supports Proposition P_{2A}*

Proposition P_{2B}: The list of critical stakeholders to be addressed during a turnaround is comprehensive.

Framework 5.9 indicates that the NTCL management addressed 6 (1, 2, 3, 4, 5, 7) of the 7 critical stakeholders during the turnaround of NTCL. 1 stakeholder (6 – supplier) is earmarked as being not addressed. However, NTCL management did not consider any stakeholder other than listed in the framework as critical.

Thus, for the turnaround of NTCL, the list of critical stakeholders was comprehensive. It thus *supports Proposition P_{2B}*

Proposition P_{3A}: At least one of the communication actions listed in the proposed theoretical framework, is employed to realize a corresponding communication objective during turnaround.

Framework 5.9 indicates that for each of the 11 communication objectives listed in the theoretical framework and addressed by NTCL management, at least one communication action listed thereof was employed by the NTCL management during turnaround. However, it also indicates 3 new communication actions (2.2.4, 4.1.6, 7.3.2) adopted by NTCL management for addressing 3 of these (2.2, 4.1, 7.3) communication objectives during turnaround.

Thus, the turnaround of NTCL indicates that it employed at least one communication action listed in the proposed theoretical framework to realize a corresponding communication objective. It thus *supports Proposition P_{3A}*.

Proposition P_{3B}: The list of communication actions recommended for achieving the communication objectives is comprehensive

Framework 5.9 indicates that NTCL management adopted 37 communication actions; did not adopt 22 communication actions; and did not provide information on 1 communication action of the total of 60 communication actions listed in the theoretical framework proposed. It also indicates that NTCL management employed 3 new communication actions (2.2.4, 4.1.6, 7.3.2). These actions were not listed in the theoretical framework proposed.

Framework 5.9 thus confirms that for turnaround of NTCL the list of communication actions given in the theoretical framework proposed was not comprehensive. It thus *does not support Proposition P_{3B}*.

Results and Discussion

Section I: Cross-Case Synthesis for validating the propositions

In Chapter 5 *Observations and Analysis*, analysis and discussion on validity of Figure 3.1, 3.2 and 3.3 for each case was presented at the end of the respective case presented. All the cases supported all the stages in each exhibit. However, in case of IPL, the study reveals that some of the stakeholders exert neither enabling nor disabling forces. They remain neutral and thus they exert neutral forces on the organization. The three exhibits are presented again to establish the context in which organizational turnarounds happen, the process of initializing turnaround, and the role of management action and communication in the process of Turnaround.

The hypotheses to establish the proposed theoretical framework of Communication Strategies for Organizational Turnaround (CS for OTA) were evaluated for each organization and presented at the end of the case written for the respective organization. The results of the hypotheses for each case are brought together and tabulated in Table 6.1 (Appendix 6.1) and discussed below to carry out a cross-case synthesis.

Proposition P_{1A} : Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.

Result: Yes-9; No-0

Interpretation:

Results tabulated against *Proposition P_{1A}* indicate that although each of the nine companies studied, did not deem it necessary to address all the communication objectives given in the proposed theoretical framework during turnaround, it is important to note that all of them without exception definitely addressed one or more of the communication objectives given in the proposed theoretical framework. The above findings indicate that all the 9 companies studied, support *Proposition P_{1A}* .

***Proposition P_{1B}*: The list of communication objectives given in the proposed theoretical framework is comprehensive.**

Result: Yes-4; No-5

Interpretation

Results tabulated for *Proposition P_{1B}* indicate that for 4 of the 9 turned around companies studied, the list of communication objectives was comprehensive but it was not so for the other 5 companies that addressed communication objectives other than those listed in the proposed theoretical framework. Thus, the above findings indicate that 5 of the 9 companies studied do not support *Proposition P_{1B}*.

***Proposition P_{2A}*: Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.**

Results: Yes-9; No-0

Results tabulated for *Proposition P_{2A}* indicate that all the 9 turned around companies studied as part of this research study, addressed at least one of the critical stakeholders listed in the theoretical framework suggested. The above findings indicate that all the 9 companies studied support *Proposition P_{2A}*.

***Proposition P_{2B}*: The list of critical stakeholders to be addressed during a turnaround is comprehensive.**

Results: Yes-6; No-3

Results tabulated for *Proposition P_{2B}* indicate that 6 of the 9 turned around companies studied, addressed some or all of the stakeholders during turnaround. For the turnaround of these companies, the list of critical stakeholders listed in the proposed theoretical framework is comprehensive. However, TBEL additionally addressed a *Social Activist Group* while ESCL and NJMCL had to additionally interact with *Industry Associations* during their turnaround period. The findings indicate that 3 of the 9 companies studied, did not support *Proposition P_{2B}*.

***Proposition P_{3A}*: At least one of the communication actions listed in the proposed theoretical framework is employed to realize a corresponding communication objective during turnaround.**

Results: Yes-9; No-0

Results tabulated for *Proposition P_{3B}* in Table 6.1 indicate that each of the 9 companies employed at least one communication action to achieve the corresponding

communication objective, provided it had identified the objective as its objective during turnaround. The findings indicate that all the companies studied, support *Proposition P_{3A}*.

***Proposition P_{3B}*: The list of communication actions recommended for achieving the communication objectives is comprehensive**

Results: Yes-0; No-9

Results tabulated for *Proposition P_{3B}* indicate that all the 9 turned around companies studied as part of this research study, employed some communication actions *other than those* listed in the framework prepared on the basis of the literature review. The findings indicate that all the 9 companies studied, do not support *Proposition P_{3B}*.

Section II: *Appreciating role and impact of communication during turnaround*

The 6 *Propositions* evaluated on the basis of cases written for different organizations, studied as part of this research study, reveal that the list of stakeholders, objectives and communication actions prepared from the literature review were mandatory to the extent that one or more of the objectives and communication actions suggested to achieve these thereof, were adopted by each turnaround management during turnaround. However, all the three lists – stakeholders, objectives and actions proposed in the theoretical framework were incomprehensive. Discussion of *Proposition P_{th}* thus indicates that in all organizations without exception, communication played a role in enabling turnaround elements/ objectives.

Managements of all the 9 companies studied, also shared instances that clearly depict the impact of communication during turnaround. for instance, when TBEL was faced with the grave situation of asking the female workers of the factory, to remove sacred artifacts while working in the factory premises, there was a major uprising among the workers. Accepting the demand of the management was unthinkable for the workers and TBEL management took almost three months of regular dialogue with the workers to make them understand the importance of the decision and implications of the otherwise. With tremendous satisfaction, Juhi Raikhy⁴⁵ shared how on a given day the workers voluntarily removed all the artifacts. TBEL completely attributes the success of the event to the continuous informal communications with the workers.

⁴⁵ Juhi Raikhy was the key spokesperson of the management who interacted with the female workers

ABCL management, on the other hand, shared how important it was to keep the government departments and local administration informed about their plans of retrenchment, during closure of one of its units. They insist that not communicating their plans in time, would have *impacted* the negotiations with the workers. It was thus considered very important to present their plans and views to the relevant people. AFL switched its very business to a product that required an automated plant and minimal communication because of its incapability or lack of interest in resolving the communication problems. Jantias revealed that communication could majorly *impact* their business, owing to cross cultural communication that came into play. The management strongly believed that communication had a very significant *impact*, to the extent that the Director personally monitored all the email communication of all the employees of the company, regularly on a day-to-day basis.

Ahsan of NTCL shared how when the expenses became very high and the management explained the problems to the workers, the latter offered to accept minimum wages and minimum bonus (a cut of 20% on each for contractual employees) for a span of three years. Ahsan insisted that it was an offer and not a decision forced on the workers. He claimed that this was evidence of success of credibility of management. During his entire discourse Ahsan shared numerous communication interventions employed to build credibility among the employees. The *impact* of communication was thus quite evident from the turnaround management's experiences.

Thus, it was quite evident that while each of the companies was conscious of the *impact* that communication could have and was consciously strategizing its communication actions, the action strategy was not documented as a 'communication strategy document'. Interestingly, the pattern of documentation in the turnaround literature is similar. While there is enough evidence to substantiate the need for communication strategy during turnaround, no separate study was found on the subject. The need to develop a communication strategy to enable an organizational turnaround is therefore established.

Section III: *Developing and Analyzing revised framework for CS for OTA*

If Framework 3.2 is augmented by adding all the new stakeholders, new communication objectives and new communication actions suggested in various case studies, irrespective of their popularity or significance, Framework 6.1 emerges. This framework is therefore a more comprehensive framework of CS for OTA.

Framework 6.1

More comprehensive framework of CS for OTA

Theoretical Pattern augmented by Case Pattern

Stakeholder/ Turnaround Element (objective)/ Possible Communication Action

1. Board of Directors/ Shareholders

1.1. Gain support and time in the future

- 1.1.1. Present detailed turn-around plan

2. Staff and Workers/ Employees

2.1. Credibility building actions by the new management

- 2.1.1. Make decisions transparent
- 2.1.2. Exercise Communication Control (Do not over-promise)
- 2.1.3. Document, and communicate a strategic turnaround plan
- 2.1.4. Publicize success in resolving a current crisis or problem

2.2. Initial Control

- 2.2.1. Exercise Communication Control (Check the number of or participation in meetings)
- 2.2.2. Seek views on the general well being of the employees.
- 2.2.3. Order preparation of daily, weekly and monthly cash forecasts
- 2.2.4. Confront employees attempting anti-establishment sentiments

2.3. Mobilization of organization for turnaround

- 2.3.1. Inject urgency in the communications plan. Explain what needs to be done and why
- 2.3.2. Deal with concerns of employees in open and honest manner. Offer follow up sessions
- 2.3.3. Articulate a few highly concrete targets for the company for the next few months
- 2.3.4. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff
- 2.3.5. Listen to the views of all the managers. Gauge their reaction
- 2.3.6. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.
- 2.3.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.
- 2.3.8. Ensure all employees know what is going on, for what reason and how it will occur.
- 2.3.9. Share the pulpit (Empowerment)

- 2.3.10. Note any comments or queries and provide answers asap
- 2.3.11. Involve the staff to identify solvable problem areas and have their views on uninvolved areas
- 2.3.12. Include key managers for development of industry wisdom
- 2.3.13. CEO must get out of the office to interact with the employees and to listen to them.
- 2.3.14. Publicize and celebrate every employee and team success
- 2.3.15. *Organize seminars for educating workers on their rights and developments in industry. This dispels misconceptions. (Educate employees on their rights and openly discuss them)*
- 2.3.16. Hold special sessions for non-participating managers after vision has been developed to share planned vision
- 2.3.17. Employ open ended communication style that encourages employees to find answers and take decisions
- 2.3.18. *Emphasize that employee's loss or gain is very high*
- 2.3.19. *Exercise Control on Communication Technology*
- 2.3.20. *Convey and display vision and mission statement*
- 2.3.21. CEO should deliver the vision presentation in person and as often as possible.
- 2.3.22. Include only key managers for development of vision
- 2.3.23. Rephrase people's roles to clarify managerial responsibilities.

2.4. Internal Co-ordination

- 2.4.1. Keep enhancing communication technology – email, mobile, ERP
- 2.4.2. Offer constant feedback to keep organization on track
- 2.4.3. Institute a monthly performance review meeting of all senior managers chaired by the chief executive.
- 2.4.4. Set up co-ordination committees for co-ordinating interdependent departments
- 2.4.5. *Exercise Control on Communication Technology (NEW)*
- 2.4.6. Insist that lower level disputes be settled at that level on a face to face basis
- 2.4.7. Keep the atmosphere light

3. Unions

3.1. Negotiation of support of Unions and neutralization of Unions' pressures

- 3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan
- 3.1.2. Seek support, concessions etc. from the unions
- 3.1.3. Keep unions posted on the progress of the turnaround

- 3.1.4. Get them to suggest turnaround steps
- 3.1.5. *Collect informal feedback for better negotiations*
- 3.1.6. Evolve jointly a broad turnaround strategy

3.2. Managing Retrenchment

- 3.2.1. *Make it clear to the workers that the management would ensure a fair deal for them*
- 3.2.2. *Let a manager who has dealt with workers and enjoys their goodwill, handle negotiations*
- 3.2.3. *Address all the workers directly and together to avoid misunderstandings and rumours*
- 3.2.4. *Quantity of information shared at a time should be controlled and based on capacity of recipients to absorb it*
- 3.2.5. *Do not hide the decision of closing down the unit, from anyone who inquires*

4. Banks and Financial Institutions

4.1. Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures

- 4.1.1. Seek support, concessions etc. from Banks and/or FIs
- 4.1.2. Keep Banks and/or FIs posted on the progress of the turnaround
- 4.1.3. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan
- 4.1.4. *Educate the concerned bank officials on the working of the business/industry (New)*
- 4.1.5. *Protracted negotiations with the banks and Financial institutions*
- 4.1.6. *Requires personal interaction of promoter/ top management with Bank senior officials*
- 4.1.7. Get them to suggest turnaround steps
- 4.1.8. Evolve jointly a broad turnaround strategy

5. Government

5.1. Negotiation of support of Government and neutralization of Government pressures

- 5.1.1. Seek support, concessions etc. from the government
- 5.1.2. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan
- 5.1.3. Keep the government posted on the progress of the turnaround
- 5.1.4. *Maintain direct contact; avoid via medias or advisors*
- 5.1.5. *Approach Government through industry associations*
- 5.1.6. Get relevant government officials to suggest turnaround steps
- 5.1.7. Evolve jointly a broad turnaround strategy

5.2. Managing Retrenchment

- 5.2.1. Proactively keep all relevant government officials and departments posted on the fair deal being offered to workers (to be retrenched)

6. Suppliers

6.1. *Negotiation of support of suppliers and neutralization of suppliers' pressures*

- 6.1.1. Seek support, concessions etc. from suppliers
- 6.1.2. *Seek new suppliers who are willing to give credit and cooperate*
- 6.1.3. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.
- 6.1.4. *Educate Supplier for better quality and quantity*
- 6.1.5. Keep suppliers posted on the progress of the turnaround
- 6.1.6. Get suppliers to suggest turnaround steps
- 6.1.7. Evolve jointly a broad turnaround strategy

6.2. Build Credibility among suppliers

- 6.2.1. *Commit payments to build credibility*
- 6.2.2. *Always keep your word (NEW)*

6.3. Ensure Desirable Quality of Supplies

- 6.3.1. *Seek new suppliers who are willing to cooperate*
- 6.3.2. *Ensure regular educating sessions for ensuring quality*
- 6.3.3. *Post quality manager at supplier's site*

7. Customers

7.1. *Negotiation of support of customers and neutralization of customers' pressures*

- 7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan
- 7.1.2. Keep customers posted on the progress of the turnaround
- 7.1.3. Get customers to suggest turnaround steps
- 7.1.4. Seek support, concessions etc. from customers
- 7.1.5. Evolve jointly a broad turnaround strategy

7.2. *Ignore current market and find a new market*

- 7.2.1. *Design communications to suit customer/ consumer needs and tastes*
- 7.2.2. *Build brand image*
- 7.2.3. *Make communications consistent*
- 7.2.4. *Train people on cross cultural communication*

- 7.2.5. *May rename products*
- 7.2.6. *May redesign packaging*
- 7.2.7. *May redesign logo*
- 7.2.8. *Offer Support, concessions etc. to customers*
- 7.2.9. *Offer advice or assistance in customer's times of crisis. Assume the role of a consultant*

7.3. *Ensure sooth Cross Cultural Communication with customer*

- 7.3.1. *Continuously educate employees on customer's cultural values*
- 7.3.2. *Continuously educate employees on bridging language barriers with foreign customer*
- 7.3.3. *Continuous monitoring of all employee communications with customers, to cover up noise due to cultural and language differences*

7.4. *Sourcing industry information for quick cost reduction*

- 7.4.1. *Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information*
- 7.4.2. *Active participation in industry association activities*
- 7.4.3. *Develop informal contacts with peers in industry*

7.5. *Revenue Generation*

- 7.5.1. *Unfocused advertising and promotion be more sharply focused*

7.6. *Build Brand Image*

8. *Social Activist Groups*

8.1. *Gain Support and neutralize pressures of Social Activist Groups*

- 8.1.1. *Maintain transparent and direct contact*

9. *Industry Associations*

9.1. *Influence Government Policies*

- 9.1.1. *Build image of senior member of Company as significant opinion holder*
- 9.1.2. *Actively participate in industry Association activities*

9.2. *Keep track of industry developments*

- 9.2.1. *Actively participate in industry Association activities*
-

Analyzing the revised framework of CS for OTA

In order to carry out a cross-case synthesis on the revised framework proposed, the table prepared at the end of each case study (that reflects the match of the theoretical framework and the turnaround in respective organizations studied) is tabulated against revised framework given in Framework 6.1. The outcome is given in Table 6.2 (Appendix 6.2).

Stakeholders addressed during TA

Total No. of stakeholders addressed during turnaround by the turnaround managements of the companies studied, are given in Table 6.3a & 6.3b and plotted in Chart 6.1.

Table 6.3a: Number of stakeholders addressed by each company studied

Table 6.3b: Frequency of addressing a given number of stakeholders

<i>Table 6.3a</i>	
Company	No of stakeholders
TBEL	7
ESCL	7
ABCL	5
VPL	6
HJMCL	6
NJMCL	7
IPL	6
AFL	4
NTCL	6

<i>Table 6.3b</i>	
No. of stakeholders addressed	Frequency of occurrence
4	1
5	1
6	4
7	3

Chart 6.1: Frequency of number of stakeholders addressed

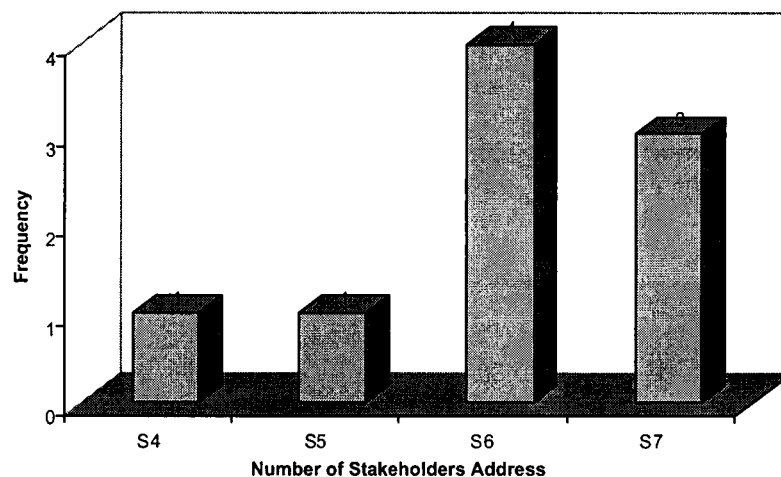


Table 6.3a & 6.3b and Chart 6.1 indicate that of the 9 companies that turned around 4 companies addressed 6 stakeholders while in 3 companies management addressed 7 stakeholders. The range observed in the given study was found to be between 4 to 7. The mode value was 6.

The total number of companies that addressed a given stakeholder are given in Table 6.4 and plotted in Chart 6.2.

Table 6.4: Frequency of companies addressing a given stakeholder

Stakeholder	Total companies that addressed the stakeholder
Staff and Workers/Employees	9
Customers	9
Unions	8
Banks and Financial Institutions	8
Government	8
Suppliers	7
Industry Associations	3
Board of Directors/ Shareholders	2
Social Activist Groups	1

Chart 6.2: Frequency of companies addressing a given stakeholder

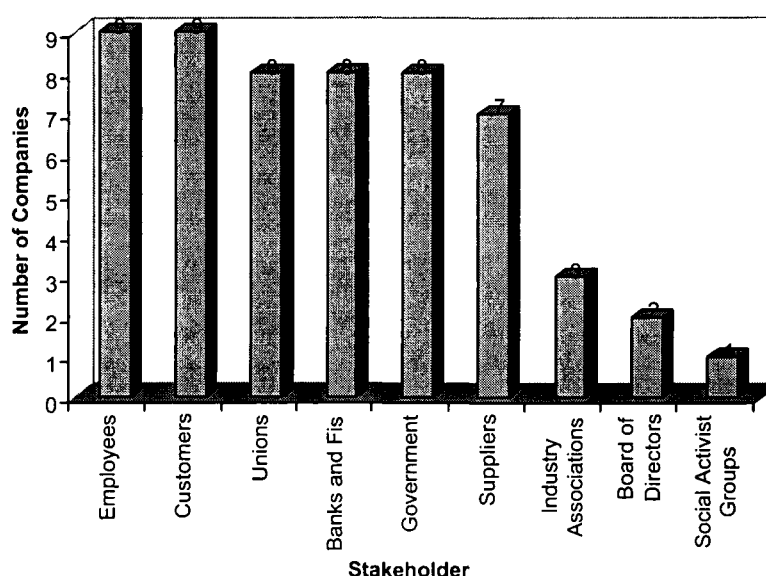


Table 6.5 indicates that all companies without exception addressed the 'staff and workers/ employees' and 'Customers' during turnaround; 8 out of 9 companies (88.8%) companies had to address communication objectives pertaining to Unions, Banks and Financial Institutions and Government; 7 of the 9 companies studied

(77.8%) addressed issues pertaining to suppliers; 3 of the 9 (33.3%) companies addressed industry associations; 2 of the 9 companies (22.2%) addressed objectives pertaining to Board of Directors; and only 1 of the 9 companies (11.1%) had to address objectives pertaining social activist groups.

We may thus interpret that the 6 stakeholders addressed by maximum number of turnaround managements studied, were employees, customers, unions, banks and FIs government and suppliers. Every management addressed the employees and the customers. While there might be unique circumstances such as the new management gets all personal equity and does not believe in taking credit (an old school of thought in some cultures) would not interact with the Banks as was the case of VPL; when the union is extremely co-operative as was the case of IPL; or when a company consciously decides to minimize government interactions and fights back to relieve itself of day-today petty corrupt practices; or when the company that has acquired the sick unit is a supplier of the raw material and thus interaction with suppliers would assume minimal importance as was for IPL, NTCL and HJMCL, that we may say that these organizations do not find it critical to strategize communications with these stakeholders. Otherwise most of the organizations would address some issues pertaining to each of these stakeholders.

Interactions with industry associations and social activist groups may be considered as critical by some organizations in unique situations. for instance, when it is critical to influence government policies and the promoters are influential themselves then interaction with industry associations may play a critical role. Similarly, if some social activist groups are active and influential in a region, an organization may have to address their concerns to neutralize their pressures. Thus, these two stakeholders may be included in the list of critical stakeholders to make the list comprehensive but their significance as against other stakeholders is much low and would depend on the unique situation of the Company.

Similarly, the need to address concerns and solicit support of Board of Directors arises only when the top management and the Board of Directors are a non-overlapping group. If they happen to be the same, then this stakeholder becomes irrelevant in the process.

Objectives that demanded communication intervention

Table 6.5 gives the number of objectives that each company studied, addressed during turnaround and Chart 6.3 depicts the results given in Table 6.5.

Table 6.5: Frequency of employing given number of objectives

No. of objectives addressed through communication (X)	Freq of Companies employing communication for X no. of objectives
13	1
11	1
10	1
9	2
8	2
7	1
6	1

Chart 6.3: Frequency of addressing turnaround objectives through communication

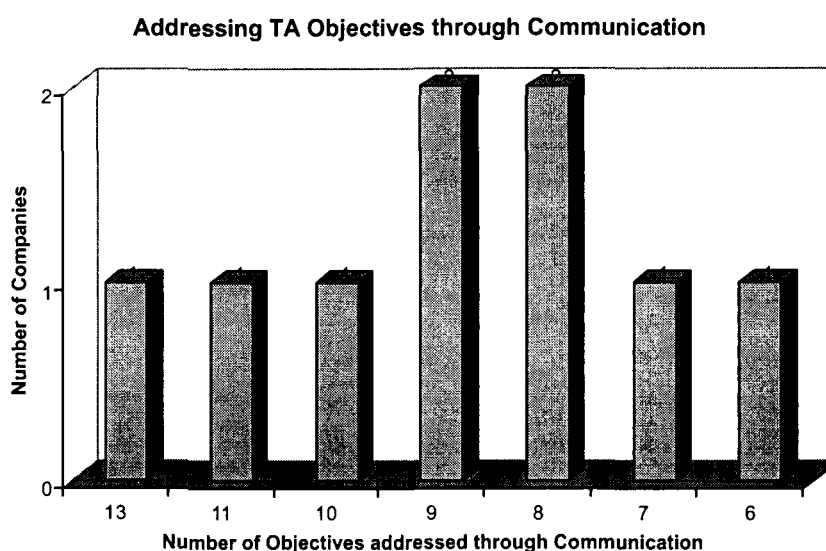


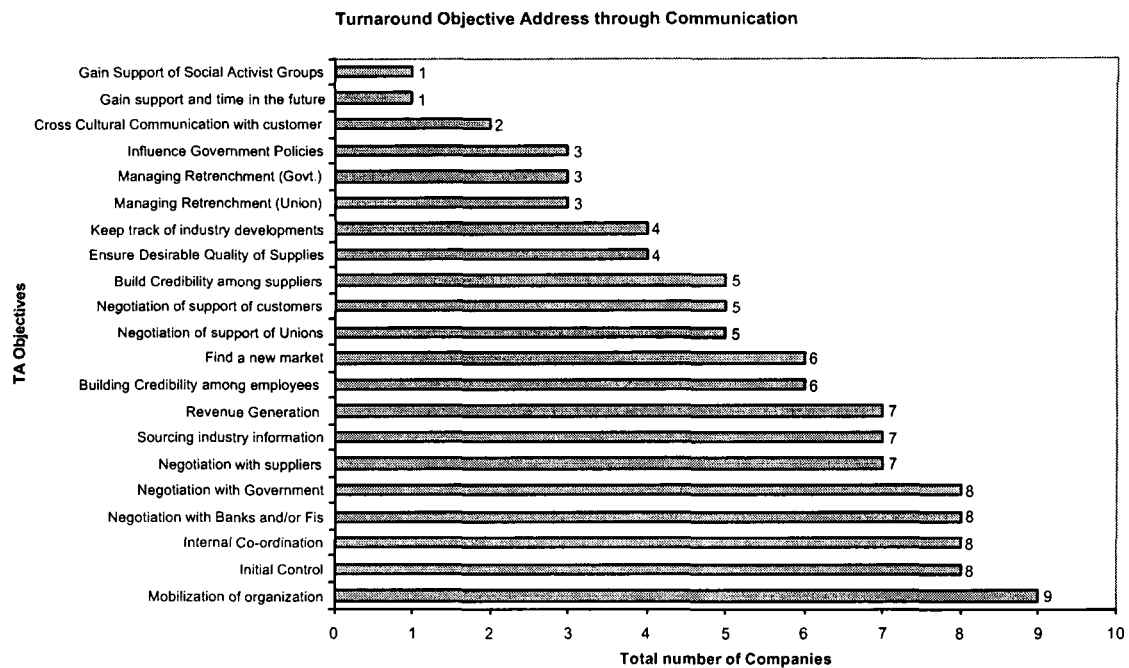
Table 6.5 and Chart 6.3 indicate that 44.4% companies employed communication interventions to address 8 or 9 objectives. These are also the mode values and hence the most probable values.

Table 6.6 shows the number of companies that addressed a particular objective during TA. The results are depicted in Chart 6.4.

Table 6.6: Frequency of addressing a given objective

Communication Objectives/ Organization (O)	Total no. of companies that addressed the objective
<i>Mobilization of organization for turnaround</i>	9
<i>Initial Control</i>	8
<i>Internal Co-ordination</i>	8
<i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	8
<i>Negotiation of support of Government and neutralization of Government pressures</i>	8
<i>Negotiation of support of suppliers and neutralization of suppliers' pressures</i>	7
<i>Sourcing industry information for quick cost reduction</i>	7
<i>Revenue Generation</i>	7
<i>Building Credibility among employees</i>	6
<i>Ignore current market and find a new market</i>	6
<i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	5
<i>Negotiation of support of customers and neutralization of customers' pressures</i>	5
<i>Build Credibility among suppliers</i>	5
<i>Ensure Desirable Quality of Supplies</i>	4
<i>Keep track of industry developments</i>	4
<i>Managing Retrenchment in a dying unit (Union)</i>	3
<i>Managing Retrenchment of dying unit (Govt.)</i>	3
<i>Influence Government Policies</i>	3
<i>Ensure Smooth Cross Cultural Communication with customer</i>	2
<i>Gain support and time in the future</i>	1
<i>Gain Support and neutralize pressures of Social Activist Groups</i>	1

Chart 6.4: Turnaround objective addressed through communication



All the turnaround managements had to mobilize the organization while 88.8% managements addressed initial control, internal coordination, negotiation of support from Banks and FIs and negotiation of support from Government by employing communication actions. 77.7% companies employed negotiation of support from suppliers and neutralization of supplier's pressures, sourcing industry information for quick cost reduction and revenue generation. 66.6% companies employ communication actions to build credibility among employees and develop a new market.

While the number of companies addressing other communication objectives is comparatively less, the importance of these actions cannot be considered any less for the organizations that did employ communication actions to address these issues. for instance, there were companies in the sample that did not retrench the workers and hence did not employ communication actions for this objective. Similarly, for the companies that exported its end products, cross-cultural communication and brand image became extremely important objectives and in their interviews the management commented on communication playing an extremely critical role in enabling a turnaround (TBEL and AFL). While the number of companies addressing these objectives was less, the importance of these communications for the companies that did employ these actions was very high.

However, the significance of the objective of gaining support and time of Board of Directors did not come out as clearly as for the other objectives. Since the promoter and Board of Directors happened to be the same in most of the organizations studied, the objective was not addressed in most of the companies but if the promoter and management would have been different, the objective could have been important. The evidence for this however, is relatively weak as in some companies that did have a separate management and promoter, the role of sharing the plan to gain support and time was not very vocally advocated by the management.

Thus, it may be concluded that while some objectives are addressed by most of the companies, other objectives may not be considered any less important and thus it is important in this case to prepare a comprehensive list in the framework and leave it for a practitioner (turnaround management) to employ what is deemed suitable in its particular situation.

The nine new communication objectives identified by the study of the 9 turnarounds include developing new markets, building credibility amongst suppliers, ensuring desirable quality of supplies, managing unions and government during retrenchment in a dying unit, ensuring smooth cross cultural communication, keeping track of industry information, influencing government policies and gaining support of social activist groups.

Communication actions/ interventions employed to achieve the objectives

Table 6.7 (*Appendix 6.3*) is prepared by reorganizing Framework 6.1 to indicate the popularity of communication actions employed for achieving the turnaround objectives. The communication actions have been arranged in the descending order under each objective. Chart 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24 and 6.25 pictorially depict the popularity of communication actions for achieving the said objective.

Chart 6.5: Frequency of companies adopting CAs to gain support and time in the future

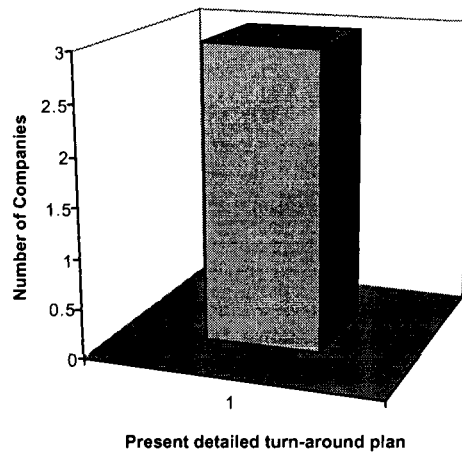


Table 6.7 and Chart 6.5 reveal that 3 of the 9 companies studied presented a detailed turnaround plan to the Board of Directors in the initial phase of turnaround.

Chart 6.6: Frequency of companies adopting various CAs for credibility building

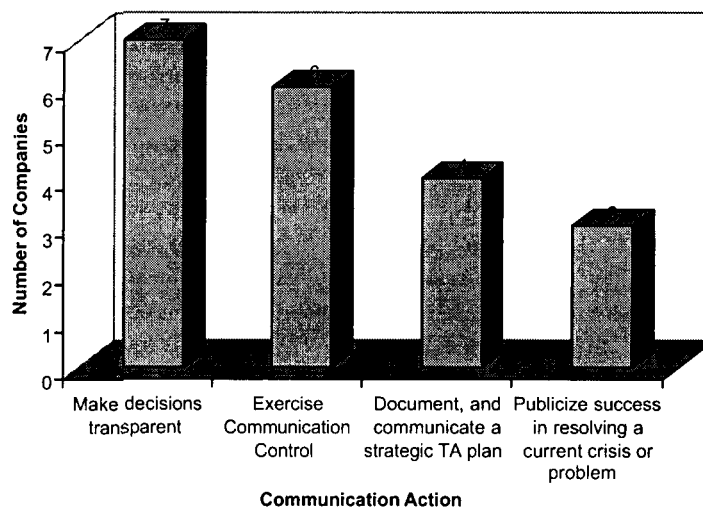


Table 6.7 and Chart 6.6 reveal that ‘making decisions transparent’ was the most popular action taken to build credibility. The second most popular action was ‘exercising communication control’ to keep a check on promises made rather than failing to achieve the same. Documenting and sharing a strategic turnaround plan and capitalizing on the success in resolving a crisis was also employed by 4 and 3 companies respectively.

Chart 6.7: Frequency of companies adopting various CAs for initial control

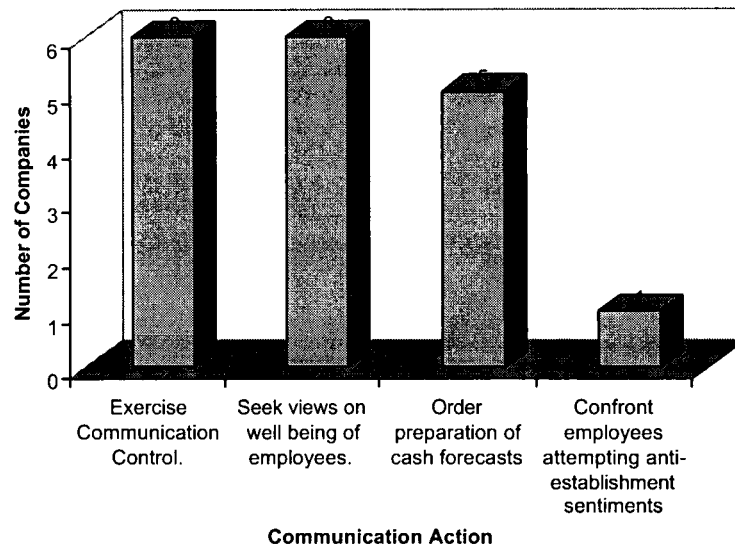
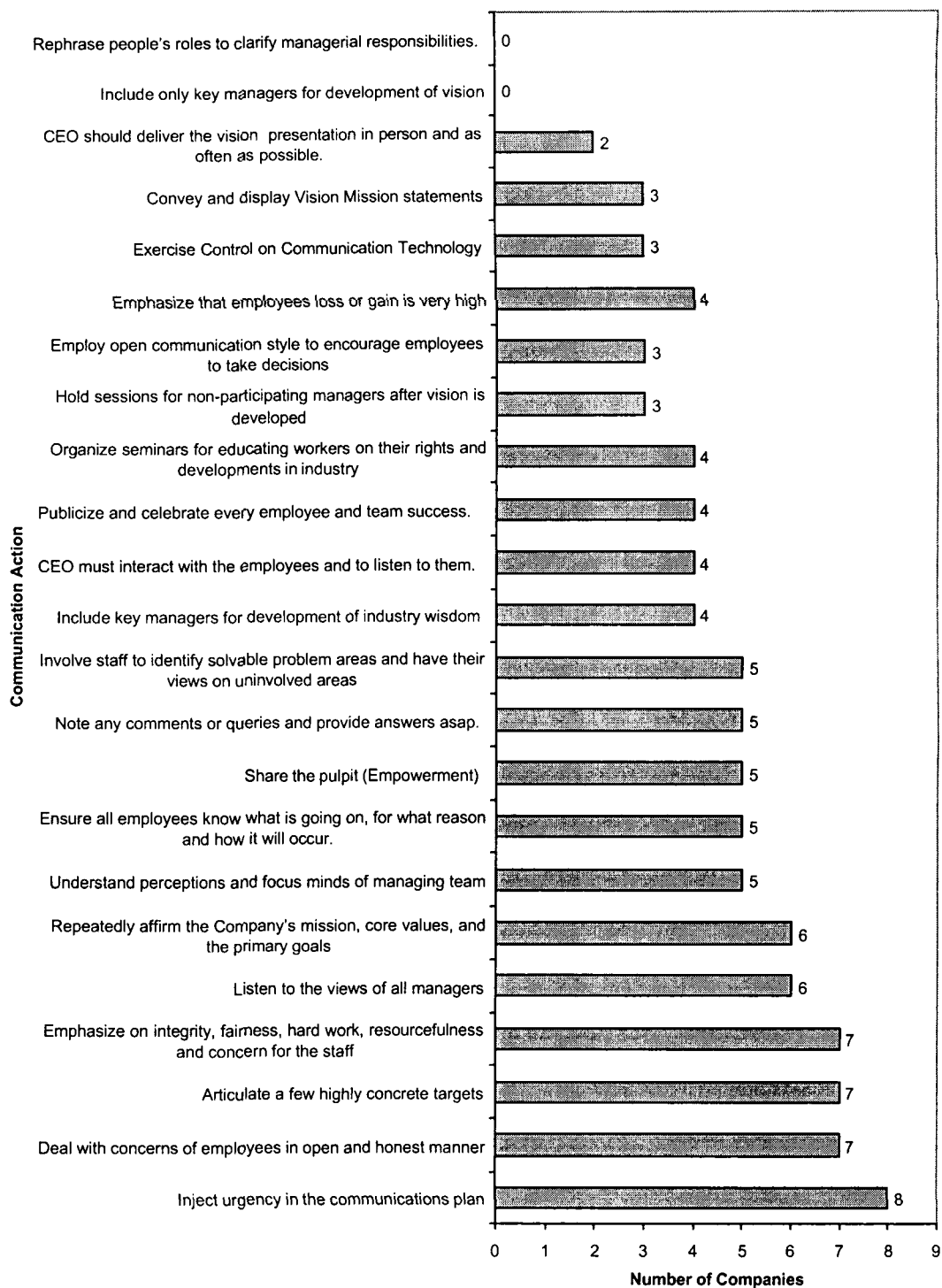


Table 6.8 and Chart 6.7 indicate that 6 of the 9 companies studied exercised communication control and sought views on well being of employees to gain initial control. 5 of the 9 companies studied, ordered preparation of cash forecasts and 1 of the 9 confronted employees attempting anti establishment sentiments to gain initial control.

Chart 6.8: Frequency of companies adopting various CAs for mobilization of organization



Injecting urgency in the communication plans was the most popularly adopted action followed by 'dealing with the employees concerns in an open and honest manner, articulating concrete targets and emphasizing on integrity, fairness and hardwork, resourcefulness and concern for staff.

Chart 6.9: Frequency of companies adopting various CAs for Internal Co-ordination

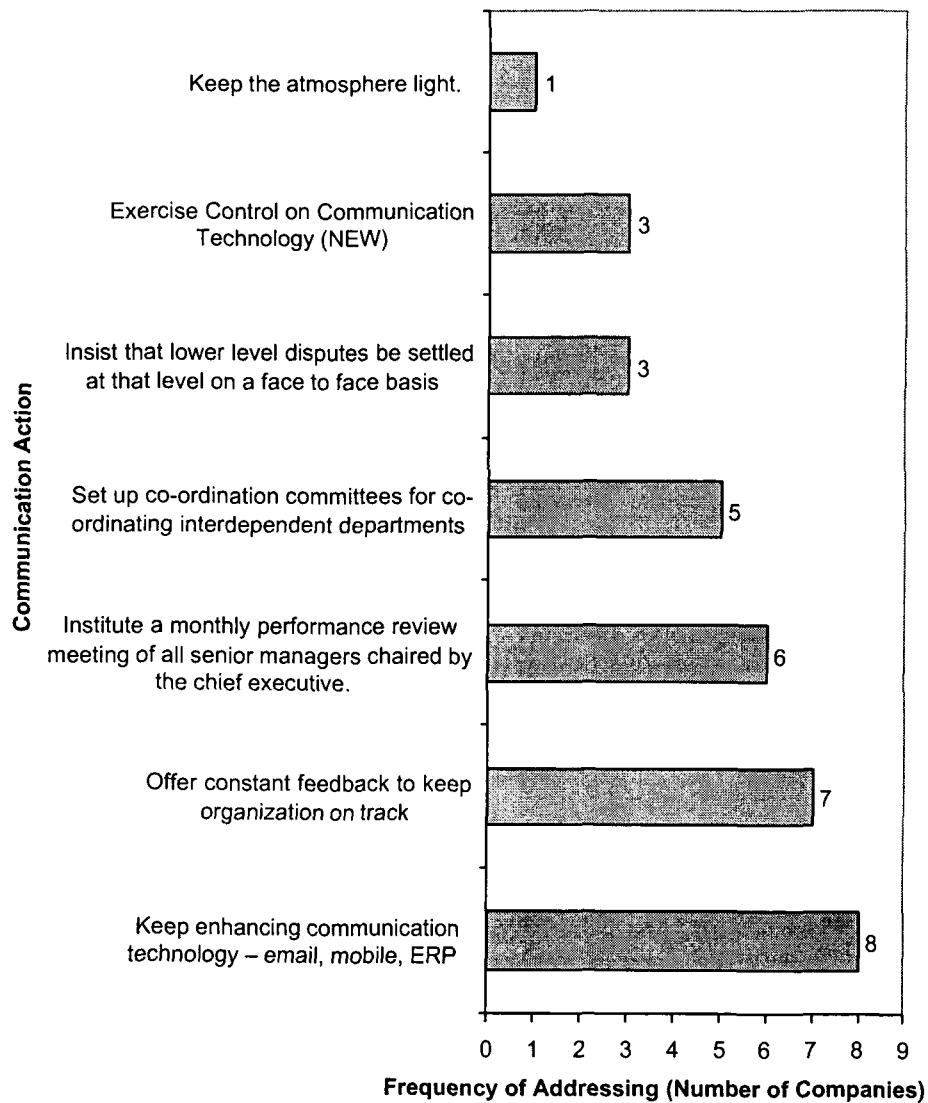
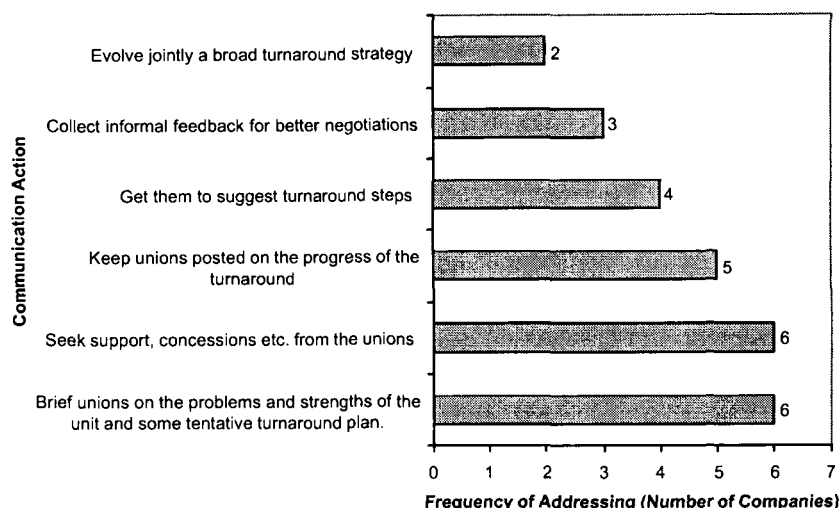


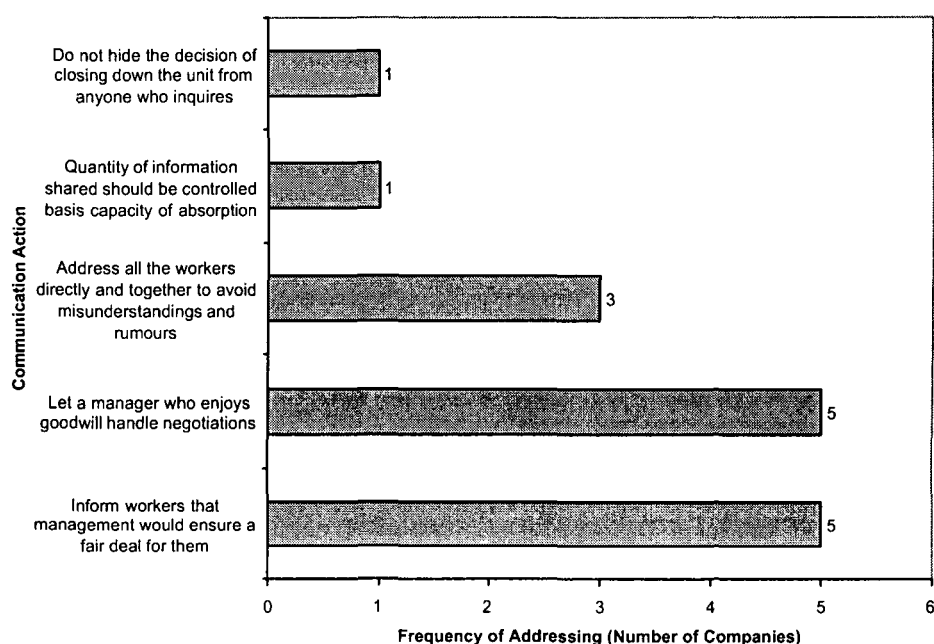
Table 6.7 and Chart 6.9 reveal that enhancing communication technologies and providing constant feedback were the most popular communication actions adapted by the companies studied to improve internal coordination. Popularity of other communication actions for the purpose is also pictorially presented in Chart 6.9.

Chart 6.10: Frequency of companies adopting CAs for negotiating support of union



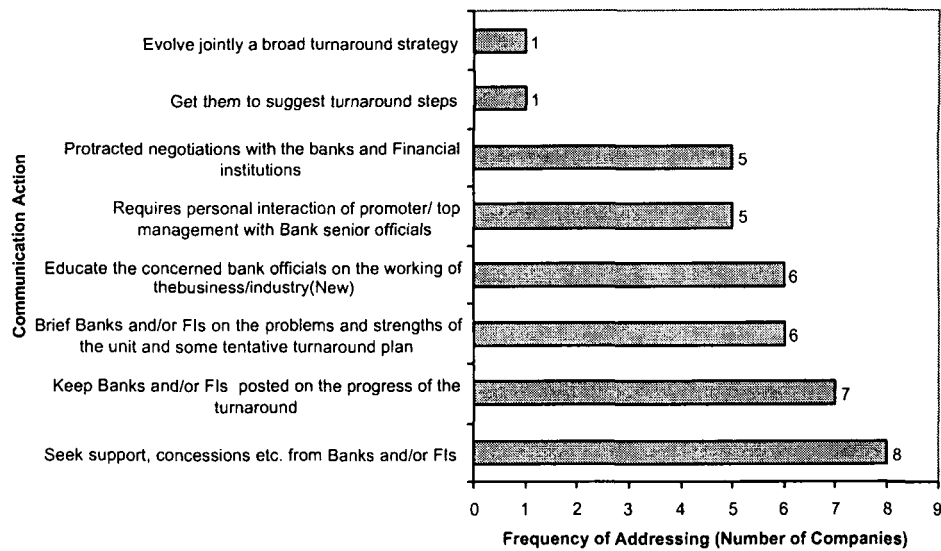
Briefing unions on the problems and strengths of the unit, sharing the tentative turnaround plan and seeking support and concessions from the unions were the most popularly adopted communication actions by the companies studied.

Chart 6.11: Frequency of companies adopting CAs for managing retrenchment



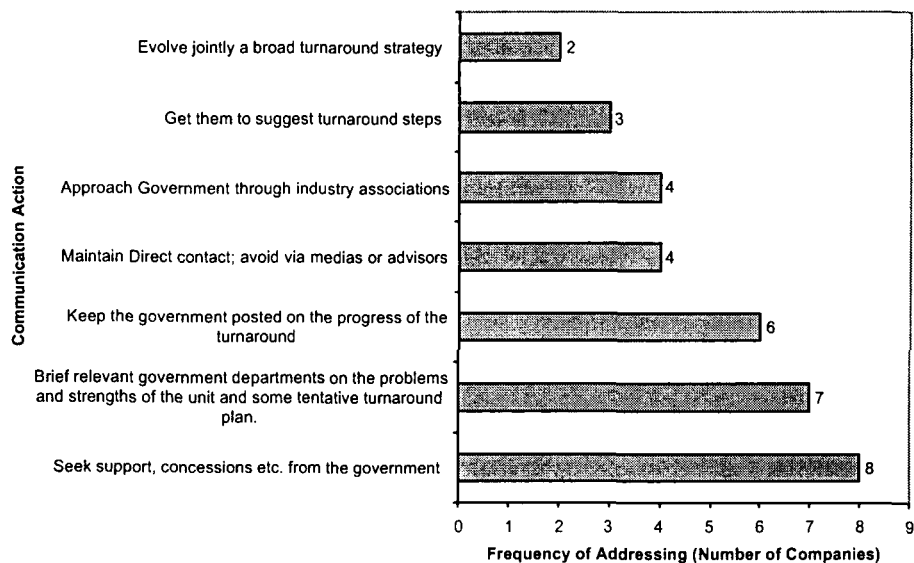
Assigning a manager who enjoys goodwill and informing the workers that management would ensure a fair deal were the most popular actions employed for managing retrenchment.

Chart 6.12: Frequency of companies adopting CAs for Negotiation of support of Banks / FIs



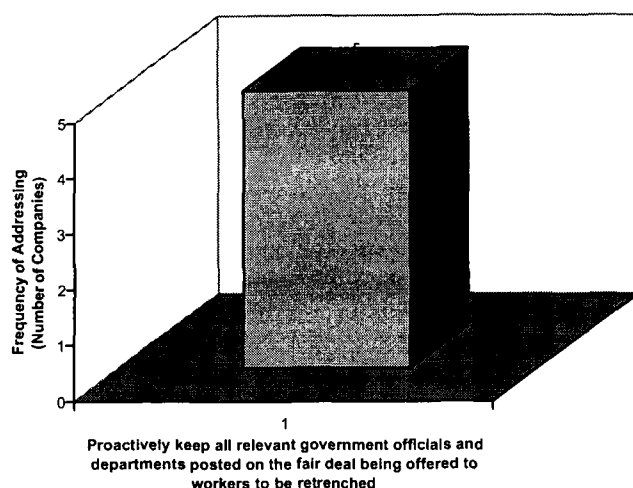
The most popular communication actions for Negotiation of support of Banks / FIs were seeking support, concessions and keeping them posted on the progress of the turn around.

Chart 6.13: Frequency of companies adopting CAs for negotiating support of government



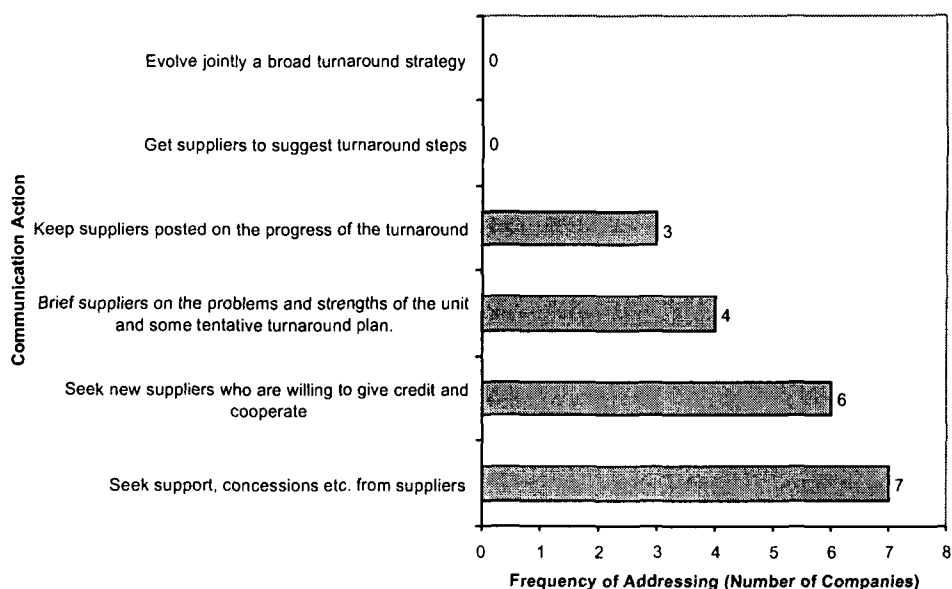
The most popular communication actions for negotiating support of the government were seeking support, concessions and briefing relevant government department on the problem and strengths of the unit and some tentative turn around plan.

Chart 6.14: Frequency of companies adopting CAs for managing retrenchment of dying unit



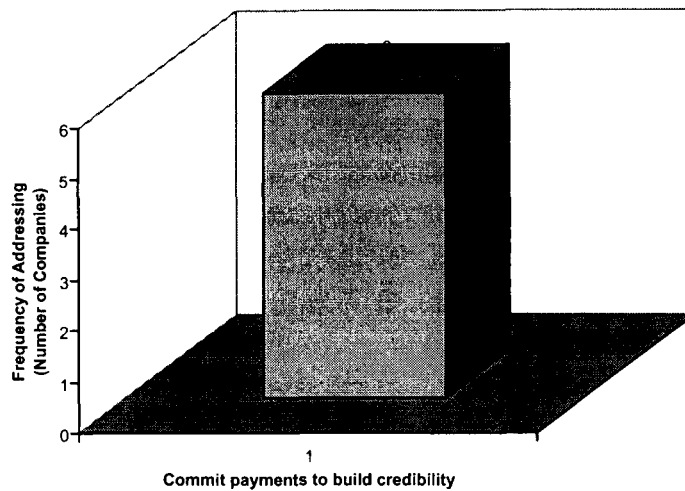
Proactively keep all relevant government officials and departments posted on the fair deal being offered to workers to be retrenched was adopted by 5 of the 9 companies studied.

Chart 6.15: Frequency of companies adopting CAs for negotiating support of suppliers



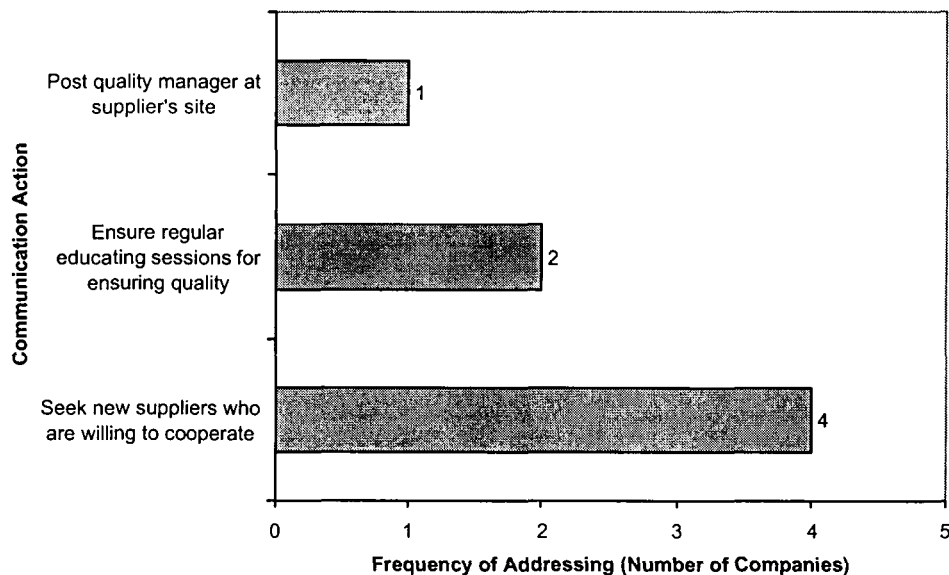
Seek support, concessions from suppliers and seek new suppliers who are willing to give credit and cooperate were the most popular actions adopted by companies studied in order to negotiate support of suppliers.

Chart 6.16: Frequency of companies adopting CAs for building credibility among suppliers



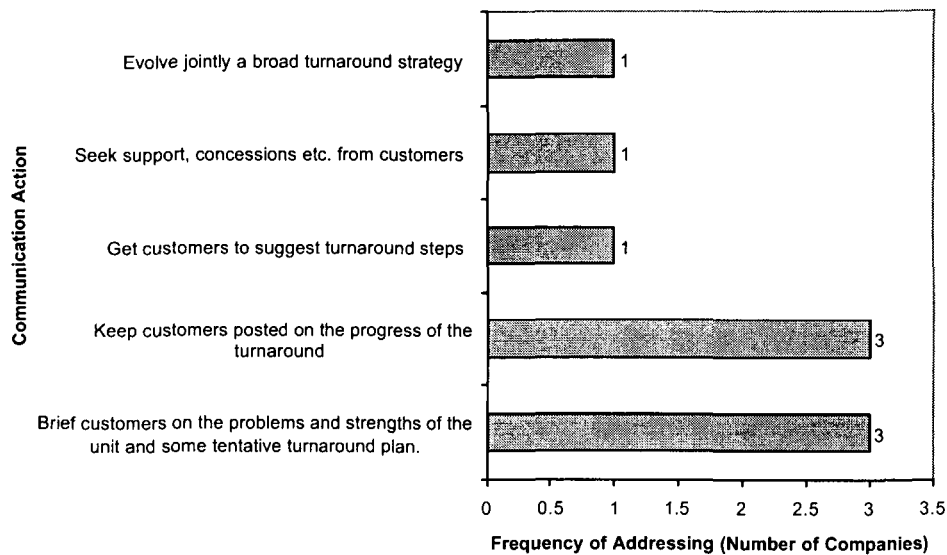
6 of the 9 companies studied committed payments to build credibility among the suppliers.

Chart 6.17: Frequency of companies adopting CAs for desirable quality and quantity from supplier



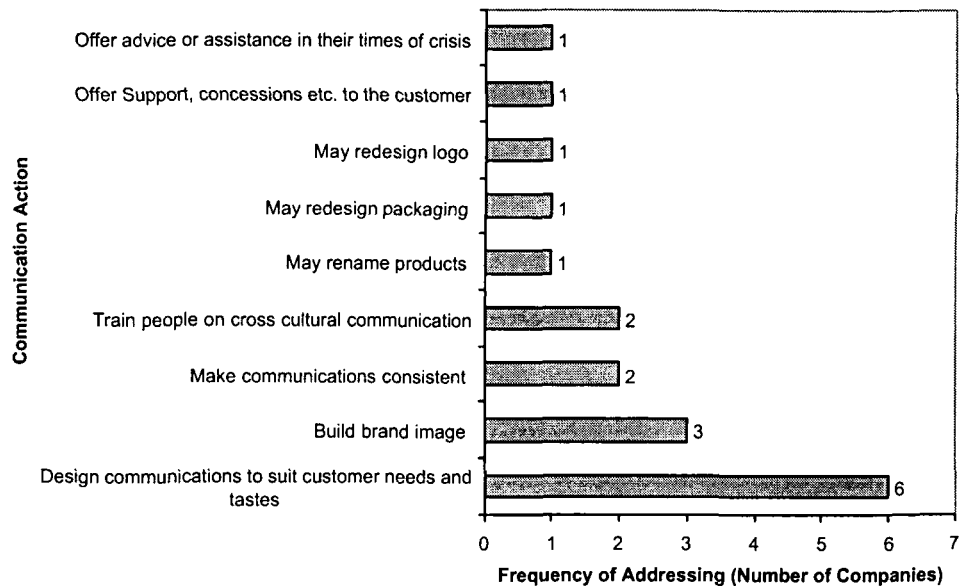
Seek new suppliers who are willing to cooperate and ensure regular educating sessions for quality were the most popular actions adopted by companies studied in order to ensure desirable quantity and quality.

Chart 6.18: Frequency of companies adopting CAs for negotiating support of customers and neutralization of customer's pressures



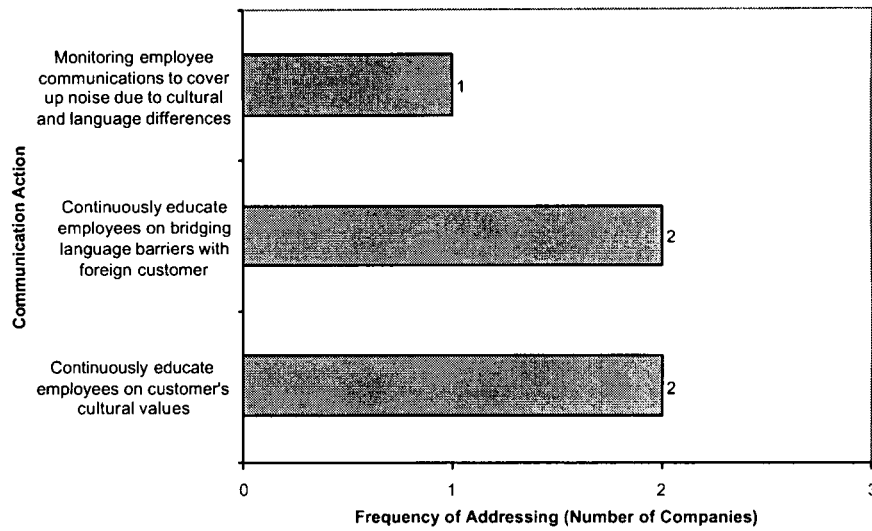
Brief customers on the problems and strengths of the unit and some tentative turnaround plan and keep customers posted on the progress of the turnaround were the most popular actions adopted by companies studied in order to negotiate support of customer.

Chart 6.19: Frequency of companies adopting CAs to find a new market



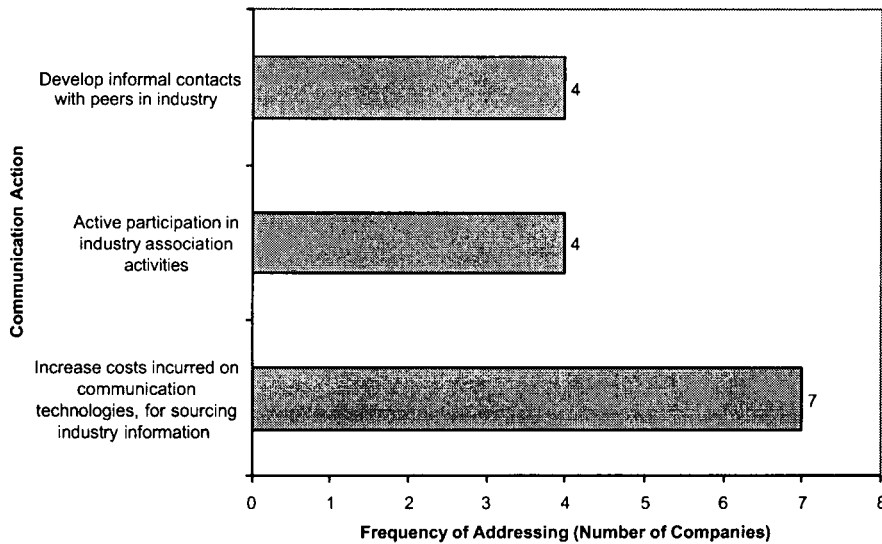
Design communications to suit customer needs and tastes was the most popular action adopted. 6 of the 9 companies studied and all the 6 companies that address the addresses adopted this action.

Chart 6.20: Frequency of companies adopting CAs to ensure smooth cross-cultural communication



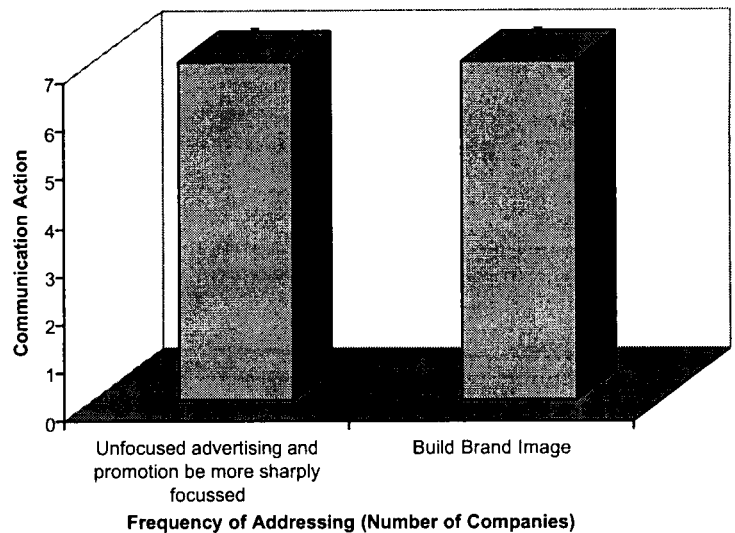
Continuously educate employees on customer's cultural values and bridge language barriers with foreign customer were the most popular actions adopted by companies studied. In fact both the companies that addressed the objective of cross culture communication adopted these two communication actions.

Chart 6.21: Frequency of companies adopting CAs to source industry information



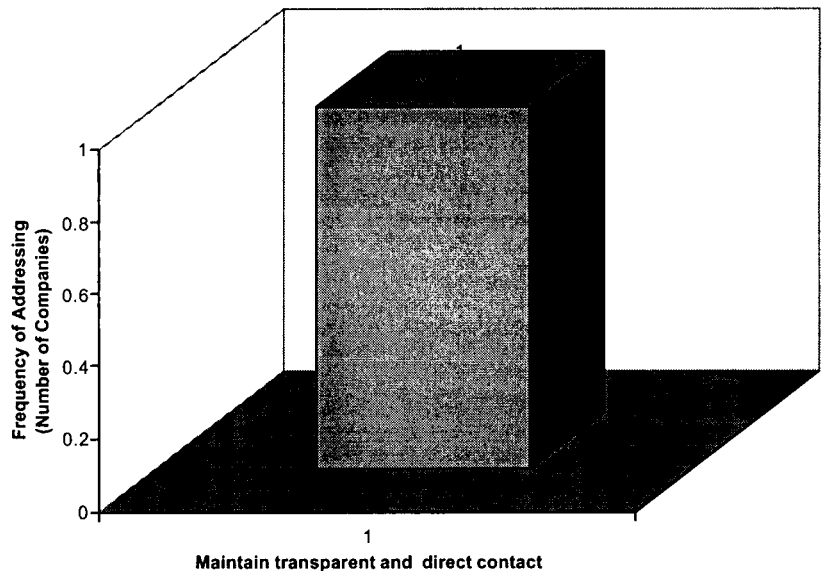
Increase costs incurred on communication technologies, for sourcing industry information was the most popular action adopted by companies studied. In fact all the 7 companies that addressed the objective of sourcing industry information adopted this communication action.

Chart 6.22: Frequency of companies adopting CAs for revenue generation



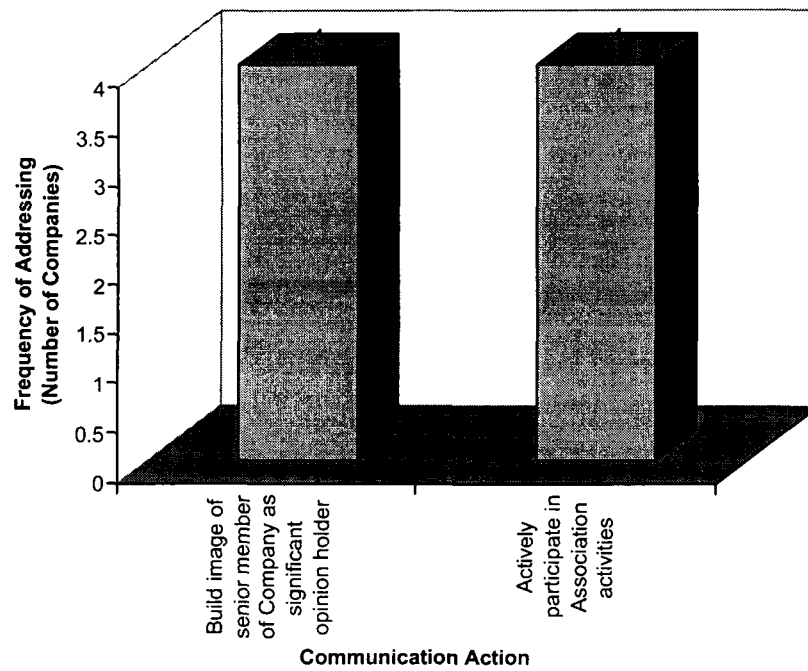
Unfocused advertising and promotion be more sharply focused and Build Brand Image were the most popular actions adopted to enhance revenue generation. All the 7 companies that addressed this objective adopted both the communication actions.

Chart 6.23: Frequency of companies adopting CAs for negotiating support of social activist groups



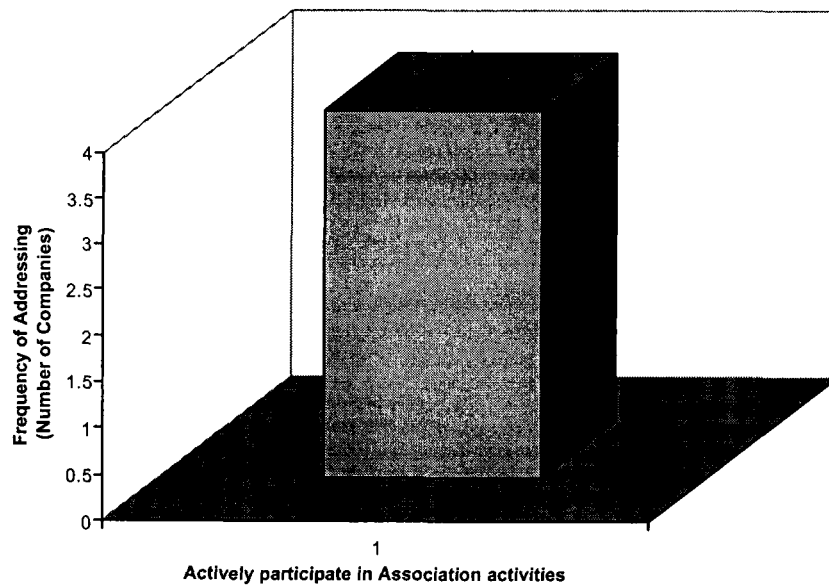
The only company that addressed the objective of negotiating support of social activist groups maintained transparent and direct contact with them.

Chart 6.24: Frequency of companies adopting CAs to influence government policies



4 of the 7 companies studied actively participated in industry association activities and built image of a senior member of their Company as significant opinion holder with the objective of influencing government policies.

Chart 6.25: Frequency of companies adopting CAs to track industry developments



4 of the 9 companies studied actively participate in association activities in order to track industry developments.

Appreciating Criticality of Variables

The ***criticality*** of each component of the communication framework proposed varied from one company to another. for instance communication with Banks was very critical in case of TBEL which was taken over by a group of professionals who could not have brought in equity to meet the outstanding debts of the sick company. On the other hand, NTCL which was taken over by Assam Tea Company Ltd. (ATCL) had no financial crisis and therefore its communications with the banks were not as critical as were for TBEL.

Similarly, for AFL, which was producing a security product wherein the quality of raw material was extremely critical for ensuring desired quality of the security product produced, suppliers role was very critical. In case of NJMCL also, the communication with suppliers was a very critical factor as there was rampant exploitation by traders and brokers of raw material. Companies which did not have the mettle to stock raw material for lean periods of jute supply, had to play in the hands of these traders. The company therefore had to constantly strategize to beat the cobweb. On the other hand, NTCL which was taken over by ATCL conveniently began sourcing its raw material from the ATCL's suppliers. Hence communication with suppliers was not critical. In case of IPL which came under the umbrella of the Reliance group there was instant relief from issues pertaining to supplies. While initially it was at a disadvantage because its suppliers were located at far off location it now benefited the parent company as the latter was itself a supplier of the raw material. There was therefore no issue left pertaining to major raw material supplies. Hence communication with suppliers in case of NTCL and IPL were not critical at all while they were extremely critical in case of AFL and NJMCL.

Yet another variation was noticed in case of communications with employees. HJMCL considered employee communication during turnaround as most critical and the management actually employed the ***accommodation model*** wherein it asked its employees to ensure their own welfare by managing the Mill in an open system. On the other hand, ESCL management knew that its workers had no choice but to comply with the directions given by the management and hence employed what appears to be more of an ***exchange model***. AFL was yet another case where the management decided that it would not be able to manage employee communications at its distant factory, as it found a major difference in the communication style of the employees and the management. The management felt that since their customer was Japanese it was important that the communication style of AFL employees matched that of the

Japanese and hence it attempted to automate its plant and reduce communication to a minimal level. One can again see traces of *exchange model* being applied in case of AFL. It is interesting to see however, that TBEL in a similar situation of cross cultural communication between Indian factory at a distant location and market in the US decided to shift its base closer to the factory and adopt a *socialization model* to communicate with the employees. It organized various innovative programmes to promote group working and informal networks to promote self-actualization. The variation in approach may be attributed to the background of the turnaround management that had to bring about the change. While the Jantias were of Indian origin they had settled in Japan and Anup Jatia, who was actively managing the show in India was brought up in Japan and later educated in the US. They therefore found it difficult to manage communications with its Indian employees. On the other hand, most of the members of the TBEL management had worked in India for a long time and were therefore at ease with their employees. Thus, we see that the approach adopted for employee communication varied according to the situation as in case of HJMCL and ESCL and also according to the management's level of comfort or competence as in case of AFL and TBEL.

Another contrasting approach was observed between interactions of turnaround management of NJMCL and IPL with their respective industry associations. The jute industry was heavily dependant for its welfare on the government policies. Since, the government was also a major customer, it was important to both, follow and if possible influence the government policies. On the other hand, IPL MD Narendra Kumar revealed that the erstwhile Chairman of IPL had been wasting energies on networking in industry and political circles and the turnaround management refrained from doing so, as it brought minimal advantage to the Company. Thus, we see that criticality of communications with industry associations varied from one industry to another.

We may therefore conclude from the above discussion that criticality of communication with various stakeholders varies owing to numerous factors ranging from variation in financial capabilities of the turnaround management, background of the turnaround management, product or customer requirements, industry etc.. Thus, we find that the results of this research study support the contingency theory or the RBV theory as the turnaround management is expected to understand its own unique situation and identify the turnaround objectives suitable for its unique situation. The Communication Strategy framework suggested hereof may then be consulted to

understand what communication intervention turnaround companies have been employing to address those objectives.

Communication Resources for implementing CS for OTA

In order to analyze the communication technologies employed during turnaround, Table 6.7 (*Appendix 6.4*) was prepared to reflect the approach of the 9 companies studied. Table 6.8 reveals that while computing facilities were incorporated in all companies there was no consensus as to whether internet surfing facility should be provided at all terminals or not. Two companies, namely ABCL and AFL very strongly advocated the need for common computing area for some computing functions especially net surfing. Bajaj of ABCL thought that common computing area promoted personal interaction and communication, as it forced the employees to leave their seats and in the process interact with fellow colleagues. Jatia of AFL on the other hand thought that it permitted a check on external communications. He shared with the researcher, how a company in Europe had to bear a law suite for regular illegal website access and external communications of one of its employees. He therefore advocates the need for keeping a check on the websites visited, to ensure law abiding and official usage of the net. Bajaj of ABCL also felt that facilities such as the net connectivity had to be provided with discretion. This he felt was required for ensuring better internal coordination and control. Exercising control on communication technology was thus suggested as an intervention for ensuring that external communications were legal and official and internal co-ordination was improved. "Lack of this control could have serious ***impact*** on a company" (Jatia, personal communications, October 18, 2005) However, the 7 other companies did not think so and provided uninterrupted net access at all terminals.

Table 6.8 also shows that all the companies accepted email as an official communication document. However, there is again a disagreement on whether the email communications of employees should be monitored or not. While 3 companies namely AFL, IPL and NTCL confirmed that all external email communications were monitored, two namely TBEL and VPL did not follow the process. However, in the second meeting with the researcher, Nigam of TBEL shared that upon deliberation after facing the researcher's question, TBEL is realizing the need to incorporate a system of monitoring external communications, as their industry was very competitive and the company could not afford a leak of marketing and product development decisions. This was more because the ideas themselves carried value and implementation was not a formidable task for a competitor. Thus most of the

companies (4) felt that external communications could seriously *impact* the business. Jatia of AFL felt this was necessary to ensure that cross cultural communication gaps between them and the Japanese customer did not impact the business. He knew that a Japanese customer was difficult to develop but once developed could be a lifetime customer provided the relationship was carefully nurtured. To add to this, AFL was working for only one customer and any gap in communication could seriously impact the entire business. Jatia therefore personally monitored all the emails every day to ensure smooth external communications. Similarly, NTCL and IPL also believed that it was important to keep a check on external communications.

LAN was essentially employed by all companies studied. It was considered as an obvious essential communication technology to ensure smooth internal communications and process flow. WAN was considered ambitious target by some though two of the 9 companies (IPL and TBEL) had implemented it successfully. Interestingly, all the turnaround leaders were unaware of the type of connectivity employed to connect distant locations. Thus, role of communication technology in enabling smooth internal coordination and process flow is completely established.

Enterprise Resource Planning (ERP) software was fully adopted by two companies and partially implemented at two companies studied. It was seen by these companies as a platform for ensuring real time communication of data amongst relevant parties responsible for carrying out the business. The fast pace of communication enabled by the software was seen to have a tremendous impact on the business. This was evident from the fact that these companies decided to incur the expense of adopting this package even if it was difficult to afford the money during the turnaround period. TBEL invested INR 4.5 million on procuring and implementing the ERP package in 1999 when its turnover was merely INR 31 million. This is to say that it invested 14.5 % of its gross sales in that year to ensure communication infrastructure for smooth process flow. ABCL also invested more than INR 10 million on ERP during its turnaround period. Both ABCL and TBEL management also explained benefits of ERP software and described its impact as the second major change at their organization besides turnaround. All the four companies struggled tremendously to ensure its smooth implementation and called it a continuous ongoing process. Other companies however had not adopted the ERP software though HJMCL indicated its plan to implement it in the near future. While IPL and TBEL had successfully implemented multi-location ERP packages, NTCL and ABCL had succeeded in enabling it at all individual sites only and were struggling to connect multi-locations for ensuring complete benefits. However, this was considered a highly challenging

task to implement. Considering the impact of communication technology, it believed that the effort was worth the returns it promised.

Interestingly, the use of mobile phones was an unquestioned reality but a striking difference of opinion was found on the extent of its usage. On one hand were management of HMCL, NJMCL and VPL that believed that mobile phones enhanced efficiency so extensively that it was given to almost anyone who required it, beginning from a peon. On the other hand, TBEL, ABCL, AFL and IPL shared with the researcher, the restrictions that had to be imposed owing to distractions that must be avoided in factory working areas. AFL also shared how it was forced to restrict extent of usage in the office premises, owing to indiscretion displayed by employees in using it in open office settings.

While 4 of the 9 companies did not have active websites, three others that did have one, confessed using it only for information dissemination and not for active marketing objectives. TBEL acknowledged that the website could prove to be a captive audience for one of its market segments (in Silicon valley) however it had not yet employed it to reap the benefits. SMS was not seen as anything more than a cheap messaging device for day to day communication and was not employed by any of them for any other purpose. Bajaj of ABCL though mentioned that he was studying prospects of employing SMS for mass gaming as a promotional tool that many other companies were successfully employing currently. Video conferencing facility was effectively employed only at IPL whereas others except TBEL had not given it much consideration.

Conclusions and Recommendations

The purpose of the study was to identify communication strategies adopted by companies and if possible propose a framework for developing a communication strategy for organizational turnaround. Organizational turnaround for the purpose of this study was further defined as the improvement in organizational performance indicated by a change in network of the organization from a negative to a positive amount. To ensure that the turnaround was sustainable a turnaround cycle time of 6 years was considered. 9 organizations that had turned around during 1995-2005 were selected for the study and case studies of communication during turnaround of each organization were written. Following conclusions are drawn & recommendations are made on the basis of this study

1. Lack of attention to Communication, in current turnaround literature

On the basis of literature review, role and impact of communication during turnaround was established. Although no turnaround study was found to be completely devoted to communication during turnaround, several turnaround studies mentioned the role and impact of communication during turnaround. (Balgobin & Pandit, 2001; Harker & Sharma, 2000; Khandwalla, 1989, 1992; Kow 2004; Meliones, 2000).

2. Need to constantly align managerial decisions to environmental reality

Case studies of 9 companies that had turned around during 1995-2005, were written. Each case study was analysed to identify whether it's sickness was due to environment or managerial decision making or misalignment of the two. The results support the arguments of Sheppard and Chowdhury (2005) who asserted that "failure is not typically the fault of either the environment or the organization, rather it must be attributed to the misalignment of the organization to the environmental realities". The results of analysis of various cases support this view. ABCL took ten years to realign itself to changes brought in by globalization of Indian economy and the loss in the process was so significant, that it had to close down one of its units producing hydrogenated oil. AFL realized that there was rampant excise evasion in the industry

and one of its units could not survive unless it aligned itself to the environmental reality. It resolved to maintain its ethical standard; it closed down the unit and diverted its energy to find an alternative route. TBEL realized that it had launched RTS food much before the Indian consumer was ready to consume it. It was eventually forced to switch its focus on markets abroad where the environment was ready to accept their products. The results are interesting as in the first organization (ABCL) the company owing to inability to realign in time was forced to close down one of its units; in the second organization (AFL) it purposely decided not to align itself to the environmental demands and therefore changed its future course. The third organization (TBEL) accepted the new reality and quickly realigned itself to the environmental demands and thereby exhibited a very quick recovery. Thus, the results support the view that both environment and managerial decisions contribute towards defining the fate of an organization. They further support the view that often managers make inadequate managerial decisions owing to blindness to environmental change (ABCL) or resource constraints or inadequate information etc. and may make wrong managerial decisions that finally lead to sickness in an organization.

3. Turnaround: a miraculous achievement

From a list of 5787 listed companies (source: Prowess, CMIE), 705 companies were found to have turned sick during 1995-2005. However, only 39 companies from these 705 (7.69%) were able to turnaround. When these companies were contacted for research study, 6 companies were found to have just turned around owing to equity brought in by the promoter but were still struggling to set themselves on the growth path. It is evident from this result that turnaround in sick organizations is a miraculous achievement worth a study and that many organizations, when faced with such tough times, may land up into any of the new states ranging from liquidation, languishing, struggling to turnaround.

4. Sick state: A result of disabling forces emanating from stakeholders

When an organization is in a sick state it faces numerous internal and external challenges Richardson, Nwankwo & Richardson (1994) note that such crises, damage the quality of life for the different groups of people associated with the organization. for example, at a personal level, big emotional and social costs are incurred as the organization becomes a less rewarding place in which to work (employees) or with which to do business (suppliers, customers, banks etc.). Organizational restructurings, lay-offs, redundancies, customer delivery breakdowns and failures to pay creditors, for example worsen traditional standards of working and

living for a host of stakeholders. These challenges act as disabling forces emanating from various stakeholders and directed towards the sick company and also each other. They are depicted in Figure 3.2 *Theoretical Framework and Propositions*. In each of the organization studied, the results support the view, as each turnaround management interviewed, shared its experiences of challenges faced in dealing with various stakeholders.

5. Central role of the top management

In order to turnaround a sick Company, the theoretical model proposed in this study purported that the first and foremost condition for initiation of turnaround effort was that the top management takes responsibility of enabling a turnaround of the sick company. (Harker & Sharma, 2000; Hofer, 1980). Other researchers have emphasized on the importance of role of triggers and necessary managerial role of recognizing and analyzing these triggers to enable a turnaround. (Francis & Mariola, 2003; Gopinath, 2005; Scherrer, 2003). Khandwalla (1989) goes to the extent of outlining 'Change in Top Management' as an essential element for turnaround. This was depicted in the chapter 3 Figure 3.3 by placing the management into the central position and indicating it as the entity that now manages the enabling and disabling forces emanating from other stakeholders. The exhibit further depicts the role of managerial action required, to manage these forces, to enable a turnaround. The results of this study support the theoretical proposal, as in all organizations studied, the management, when the promoter and management were separate and the management was responsible (IPL, NTCL), and the promoter management when the two were the same (TBEL, ABCL, NJMCL, HJMCL, AFL), consciously assumed responsibility to turnaround the ailing company. In all the cases, the management was clear on the objectives it had set for each stakeholder, to achieve the turnaround. The managerial actions taken thereafter resulted in the change for the better.

6. Role of communication: an undocumented reality

It is notable that none of these 9 companies had separately documented a communication strategy or plan though all of them strategized the actions to be taken. Partial documentation under varying titles was noticed in different companies studied. TBEL termed its mobilization efforts as *Fun at Work* programmes while NTCL employed what they call a *two-way communication model* for regular monitoring. ABCL on the other hand said it documented its decisions as minutes of the meeting while ESCL insisted that communication planning was an important regular ongoing process.

7. *Proposed theoretical framework: mandatory but incomprehensive*

Each component of the theoretical framework proposed in Framework 3.2, was completely or partially employed by all the 9 companies studied. This is to say that every turnaround management addressed atleast one of the objectives for atleast one of the stakeholder listed in the framework. It was also established that for the objective addressed, atleast one of the listed communication actions was employed by the turnaround management. However, the set of *Proposition P* tested, further established that each of the framework components – list of stakeholders, objectives and communication actions, was incomprehensive.

8. *Framework 6.1: a more comprehensive framework*

The proposed communication framework in chapter 3 Framework 3.2 was augmented by adding to the list of stakeholders, the additional stakeholders that the 9 companies studied, had addressed. Similarly, the list of objectives and the communication actions employed thereof, by each company studied, were compared with the list of objectives and communication actions mentioned for each stakeholder and the lists given in the framework were augmented. The resulting framework given in Framework 6.1 is proposed as a more comprehensive framework than that proposed in Framework 3.2. The validity of the framework is established as it is based on primary research data though whether it takes care of all the possible situations or challenges in different organizations is still not established.

9. *Most frequently addressed stakeholders*

A closer look at the stakeholders addressed during turnaround reveals that the 6 stakeholders mostly addressed by the 9 companies studied, were employees, unions, customers, banks and financial institutions, government and suppliers. Most of the turnaround strategy literature deals with employee communication (Balgobin & Pandit, 2001; Harker & Sharma, 2000; Khandwalla, 1989; Kow, 2004a, 2004b; Meliones, 2000) though Harker & Sharma (2000) also indicate the need to present a detailed turnaround plan to Board of Directors and Banks and Financial Institutions, to gain their support. However, Khandwalla (1989) in his study additionally identified communication actions adopted to address objectives set for unions, government, suppliers and customers.

The results of the present study indicate that these six stakeholders were addressed most frequently by the 9 companies studied. Further, management of all the 9 companies studied, addressed the employees and the customers for some turnaround

objective. The other four stakeholders however were not essentially addressed by managements of all the 9 companies studied.

10. *New Stakeholders: less frequent though critical*

The two additional stakeholders addressed by some of the companies studied and not mentioned in the theoretical framework proposed, were Industry Association and Social Activist groups. TBEL had to address a social activist group as this group actively interacted with the union and the workers, and could influence the latter. To ensure that no anti-establishment sentiment was promoted, the management interacted with the group, as and when required. Ravi Nigam shared how they had to address the hostile perceptions of this group towards the American origin of the new promoters.

Both ESCL and NJMCL actively participated in the industry association activities as voicing their concerns to the government or interacting with peers to keep track of industry developments, had a significant *impact* on their business. In case of ESCL, the government's decisions on sugar levy and in case of NJMCL the government's decision on JMPA were very critical. These companies had to remain updated on latest industry developments. Also, owing to their strong positions in the industry associations, they could influence the government and hence attempted to benefit from the clout. Thus, these two stakeholders though not addressed frequently cannot be rejected as less critical.

It is therefore recommended that a turnaround management must consciously identify the stakeholders that may have the capacity to affect the company's performance.

11. *Most frequently addressed objectives*

The 10 most frequently addressed objectives by the 9 companies studied, were found to be: mobilization of organization, initial control, internal co-ordination, negotiation of support of banks and FIs and neutralization of their pressures, negotiation of support of government and neutralization of its pressures, negotiation of support of suppliers and neutralization of their pressures, sourcing industry information for quick cost reduction, revenue generation, building credibility among employees, ignore current market and find a new market.

The results support the literature as the 9 most frequently addressed objectives by turnaround managements of companies studied, were also listed in the theoretical framework proposed originally in chapter 3 Framework 3.2.

However, the tenth most popular objective, ‘Ignore current market and find a new market’, identified from the 9 companies studied, was found to be more popularly addressed (6 out of 9 companies addressed it) than the two objectives (negotiation of support of Unions and neutralization of Union’s pressures and negotiation of support of customers and neutralization of customer’s pressures) listed on the basis of literature review in the theoretical framework given in Framework 3.2.

12. Additional Objectives identified

Nine new objectives namely, ‘ignore current market and develop new market’, ‘build credibility among suppliers’, ‘ensure desirable quality of supplies’, ‘keep track of industry developments’, ‘managing retrenchment’, ‘influencing the government policies’, ‘ensuring cross cultural communication with customers’ and ‘gaining and neutralizing the support of Social Activist groups’ were identified. The number of companies that addressed these objectives varied (6 for 1st objective, 5 for 2nd and 4 for next 2 objectives, 3 for next 3, 2 for 1 and 1 for last 2 objectives). As discussed in chapter 6 *Results and Analysis* the importance of these objectives was high. The list prepared by assimilating these objectives is presented in Framework 6.1 and is more comprehensive than that proposed on the basis of literature review.

13. Most frequently employed communication actions/ interventions

Table 6.7 indicates actions that the 9 turnaround Companies adopted to achieve a given objective. One may implicate from this table that those communication actions that were employed by most of the companies to achieve a given objective, have a significant impact on the outcome of the attempt to achieve the objective.

Some of the more frequently adopted communication actions (7 or more companies adopted these actions) were ‘make decisions transparent’, ‘inject urgency in the communication plan’, deal with concerns of employees in an open and honest manner. Offer feedback sessions’, ‘articulate a few highly concrete targets for the company for the next few months’, ‘top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff’, ‘keep enhancing communication technology’, ‘offer constant feedback to keep the organization on track’, ‘seek support and concessions etc. from Banks and/or FIs’, ‘keep Banks and FIs posted on the progress of the turnaround’, ‘seek support, concessions etc. from the government’ and ‘brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan, ‘focus advertising and promotion to be more sharply focussed’, All these objectives were

also listed in the initial proposed framework developed from the literature. Thus the finding support the turnaround literature.

14. *New Communication Actions/ Interventions identified*

Forty one new communication actions/ interventions have been added to the initial framework and presented in Framework 6.1. This new list of 100 communication actions adopted by turned around companies is thus more comprehensive. Further studies may be done to make it still more comprehensive, if possible.

15. *Net Surfing: A skeptical though essential acceptance*

While all companies studied, provided net surfing facilities to its employees, some of them have highlighted benefits of providing these facilities in common computing areas. These benefits include increased interaction, improved time management, higher resource sharing, security checks and better discipline.

16. *Email: an official but monitored communication channel*

All companies studied, employed email as an official channel of communication. However, some companies adopted a policy of monitoring the email communications for reasons such as security and cross-cultural communication gaps.

17. *LAN more popularly implemented than WAN*

While LAN was implemented to smoothen the communication flow within an office, several companies are still struggling to have a WAN in place.

18. *ERP: a daunting challenge, worth the effort*

All companies that had employed ERP package agreed that implementing ERP was a major expense for a company reviving from sickness. However, all of them also agreed that it was a major challenge to implement it owing to the discipline required to reap its benefits. There was also a consensus that ERP implementation brought with it a significant improvement in performance

19. *Not so popular Communication technologies*

Many communication technologies such as SMS and websites still do not seem to have made a mark in proving their worth to reviving companies. These technologies were not extensively employed by the companies studied.

20. *Need to customize the proposed framework*

It would be pertinent to mention here that even for the limited number of organizations studied in this research work, no consistently applicable communication strategy was found. The strategy varied depending on the unique situation in which the organization was poised.

Thus, any management preparing to turnaround a company may benefit from the communication strategy framework presented in this study in Framework 6.1, if it integrates it with the turnaround strategy of the company by prudently identifying the turnaround objectives for each stakeholder.

Overall recommendation for employing the CS for OTA

A management attempting to turnaround a declining organization, must identify the stakeholders that have to play a critical role in enabling the turnaround strategy adopted. The critical stakeholders mentioned in the framework may be referred to as a checklist to ensure that all critical stakeholders have been considered before finalizing this list.

For each stakeholder identified as critical, the management must identify communication objectives on the basis of the turnaround strategy adopted. The communication objectives for each stakeholder, mentioned in the framework may be referred to as a checklist to ensure that possible relevant communication objectives have been considered.

Thereafter, the framework guides on what communication actions/ interventions must the management adopt to achieve the communication objectives identified. Thus, CS for OTA framework provides guidelines to both strategize and implement the communication strategy desirable for enabling an organizational turnaround.

Limitations of the Study and Directions for Future Research

Section I: *Limitations of the Study*

This chapter identifies the limitations of the study. The findings of the study propose a communication strategy for enabling organizational turnaround. The turnaround communication objectives, stakeholder communications and communication interventions have been studied. Organizational and managerial communication actions for enabling the turnaround of a sick company have been recommended. However, no research endeavour is final and there are limitations too. In the following section, limits of this research are captured:

- Case studies were primarily based on interviews of members of the top management. Their biases and perceptions might have affected their discourse of the turnaround experience. While an attempt to verify facts from secondary sources was made, there is scope for more thorough verification.
- It was observed that many turnaround managements had not discretely identified a communication strategy. Thus, they left it to the researcher to identify communication elements or strategy from their turnaround experiences. It is possible that many experiences of communication interventions were not shared. A repeat study on the same pattern and methodology may make the list of stakeholders, objectives and communication interventions more comprehensive.
- It was observed in many organizations that the top management was reluctant in sharing some information. Some information therefore may not have been shared.
- The study focused on the strategy adopted by the top management and not on how it was perceived by other stakeholders. It was assumed that a successful turnaround was indicator of successful strategy. Further study may include views of other stakeholders too.
- Communication amongst various stakeholders also impacts turnaround. Further studies may focus on effect of these communications.

- Given more time, a validated questionnaire on various communication dimensions could have been developed and administered to add more rigour to the study.
- The conclusions of this study are not generalizations. These are suggestive and not prescriptive.

Section II: *Future Research Directions*

This chapter maps the direction for further research in future studies. Keeping in mind the limitations and also the increasing importance and interest in the subject, the following section suggests future research directions:

- This study focused on the strategy adopted by the top management and not on how it was perceived by other stakeholders. A study that includes views of other stakeholders could provide better understanding of communications during turnaround.
- Communication amongst various stakeholders also impacts turnaround. Further studies may focus on effect of these communications.
- Communication patterns in different regions may vary owing to differences in cultural variations. Comparison of communication in organizations from different regions may give revealing results.
- While cultures in a country, especially as diverse as India, cannot be called homogenous, yet one could expect variations in communication patterns adopted in different countries. Thus, other studies based on the same design but carried out in other countries could uncover several findings.
- This study has adopted the replication logic. Further studies may adopt theoretical replication and study communication strategies employed in sick companies. A comparison of communication patterns in turned around successes and turn around failures may further support the outcomes of this study.
- It is possible that communication strategies of organizations following theory E and organizations following theory O may differ. Further study exploring variations in communication strategies in organizations adopting these different theories of change may be undertaken.

- Content analysis technique can also be applied to study communication strategies for turnaround.
- Further studies may explore quantitative methods to measure impact of communication on turnaround.
- A study of communication pattern in the next phase (growth) of these organizations may reveal variation in communication strategies adopted during turnaround and communication strategies adopted during growth.

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Interview Checklist

1. According to you, how important is communication in the process of turnaround?
2. What, according to you, are principles of good communication?
2. Did your Company prepare a communication strategy to enable the turnaround?
3. Is the communication strategy documented?
4. If yes, please let me have a copy of the communication strategy you developed?
5. If no, then which stake holders did you identify for Regular/ Intermittent/Blocked communication? Circle the correct option.

i.	Employees	R	I	B
ii.	Bankers	R	I	B
iii.	Institutional Shareholders	R	I	B
iv.	Agency Principals, if any	R	I	B
v.	Government	R	I	B
vi.	Industry associations	R	I	B
vii.	Customer	R	I	B
viii.	Supplier	R	I	B
ix.	International agencies, if any	R	I	B
x.	Media Relations	R	I	B
xi.	Public at large	R	I	B
xii.	Any other.....	R	I	B

6. **For each stake holder mentioned above, please answer the following questions:**

a. Employees

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

(These may include several measures/ interventions planned by you. I would like to have inputs on all these initiatives)

b. Banks & Financial Institutions

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?

- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

c. Shareholders

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

d. Agency Principals, if any

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

e. Government

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

f. Industry Associations

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

g. Customers

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

h. Suppliers

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

i. International agencies, if any

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

j. Media Relations

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

k. Public at large

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?

- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

l. Any other.....

- i. What were the communication objectives?
- ii. What messages did you wish to deliver?
- iii. Who did you select for carrying out this task and why?
- iv. How did this person/ group convey the message?
- v. Did you attempt to evaluate the effectiveness of this communication process?
- vi. If yes, how?

7. Which of the following communication technologies play a role in enabling the turnaround process?

i.	LAN	Y	N
ii.	Internet	Y	N
iii.	ERP	Y	N
iv.	Mobile phone	Y	N
v.	SMS	Y	N

8. For those technologies that did play a role, please answer the following:

- a. When did you implement this communication technology?
- b. Why?
- c. What did the process of implementation entail? (How easy or difficult was it?)
- d. Is the technology implemented to its full capacity?
- e. What were the benefits accrued thereof?

9. Was it required to integrate the internal (with internal stakeholders) and external (with external stakeholders) communication strategy?

10. What were the issues that made this integration pertinent?

11. How did you integrate the two strategies?

.....

Table 6.1: Cross Case Synthesis

Hypothesis No.	Hypothesis Description	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Result
1A	Every company that undergoes a turnaround would necessarily have to address some of the communication objectives given in the framework though not necessarily all.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes-9
1B	The list of communication objectives given in the proposed theoretical framework is comprehensive.	No	No	No	Yes	Yes	No	Yes	No	Yes	Yes-4; No-5
2A	Every company that undergoes a turnaround would necessarily have to address some of the critical stakeholders given in the framework.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes - 9
2B	Hypothesis 3: The list of critical stakeholders to be addressed during a turnaround proposed is comprehensive.	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes-6; No-3
3A	At least one of the communication actions listed in the proposed theoretical framework is employed to realize a corresponding communication objective during turnaround.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes-9
3B	The list of communication actions recommended for achieving the communication objectives is comprehensive	No	No	No	No	No	No	No	No	No	No-9

Table 6.2: The Match between the revised CS 4 OTA framework (Table 5.2) and the Turnaround Communication strategies of organizations studied.

✓ = 1
 ✕ = 2
 ? = 3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
<i>Stakeholder/ Turnaround Element (objective)/ Possible Communication Action</i>										
1. Board of Directors/ Shareholders	2	3	2	2	2	2	1	2	1	2
1.1. Gain support and time in the future	2	2	2	2	2	2	3	2	1	1
1.1.1. Present detailed turnaround plan	1	2	2	2	3	3	1	3	1	3
2. Staff and Employees	1	1	1	1	1	1	1	1	1	9
2.1. Credibility building actions by the new management	1	2	1	1	1	2	1	2	1	6

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
2.1.1. Document, and communicate a strategic TA plan	1	2	2	2	1	3	1	2	1	4
2.1.2. Publicize success in resolving a current crisis or problem	1	3	2	2	3	2	1	2	1	3
2.1.3. Make decisions transparent	1	3	1	1	1	2	1	1	1	7
2.1.4. Exercise Communication Control	1	3	1	1	1	3	3	1	1	6
2.2. Initial Control	1	3	1	1	1	1	1	1	1	8
2.2.1. Order preparation of daily, weekly and monthly cash forecasts	3	3	3	3	1	1	1	1	1	5
2.2.2. Exercise Communication Control.	1	3	1	3	1	3	1	1	1	6
2.2.3. Seek views on the general well being of the employees.	1	2	2	1	1	3	1	1	1	6
2.3. Confront employees attempting anti-establishment sentiments	2	2	2	2	2	2	2	2	NEW	1
2.4. Mobilization of organization for turnaround	1	1	1	1	1	1	1	1	1	9
2.4.1. Include key managers for development of industry	2	1	3	3	1	1	1	2	2	4

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
wisdom										
2.4.2. Include only key managers for development of vision	3	3	2	2	3	3	2	2	2	0
2.4.3. CEO should deliver the vision presentation in person and as often as possible.	1	3	2	2	2	2	1	2	2	2
2.4.4. Hold special sessions for non-participating managers after vision has been developed to share planned vision	1	3	2	2	1	2	1	2	2	3
2.4.5. Inject urgency in the communications plan. Explain what needs to be done and why	1	1	1	1	1	2	1	1	1	8
2.4.6. Listen to the views of all managers. Gauge their reaction	1	3	2	2	1	1	1	1	1	6
2.4.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	1	2	1	2	1	1	1	2	2	5
2.4.8. Ensure all employees know what is going on, for what reason and how it will occur.	1	3	1	2	1	2	1	2	1	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
2.4.9. Share the pulpit (Empowerment)	1	1	2	2	1	2	1	2	1	5
2.4.10. Deal with concerns of employees in open and honest manner. Offer follow up sessions	1	3	1	1	1	3	1	1	1	7
2.4.11. Note any comments or queries and provide answers asap.	3	3	2	1	1	3	1	1	1	5
2.4.12. CEO must get out of the office to interact with the employees and to listen to them.	1	3	2	2	3	3	1	1	1	4
2.4.13. Employ open ended communication style that encourages employees to find answers, take decisions.	1	3	2	2	1	2	2	2	1	3
2.4.14. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	1	3	1	2	1	2	1	1	1	6
2.4.15. Articulate a few highly concrete targets for the company for the next few months	1	1	3	3	1	1	1	1	1	7
2.4.16. Involve the staff to identify solvable problem areas and have their views on uninvolvement	1	3	2	2	1	1	1	2	1	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
areas.										
2.4.17. Rephrase people's roles to clarify managerial responsibilities.	2	3	2	2	2	2	2	2	2	0
2.4.18. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	1	3	1	1	1	2	1	1	1	7
2.4.19. Publicize and celebrate every employee and team success.	1	3	2	2	2	1	1	2	1	4
2.5. Organize seminars for educating workers on their rights and developments in industry. This dispels misconceptions. (Educate employees on their rights and openly discuss them)	1	2	1	2	NEW	2	2	2	1	4
2.6. Emphasize that employees loss or gain is very high	1	1	2	2	NEW	2	2	2	1	4
2.6.1. Exercise Control on Communication Technology	2	2	NEW	2	2	2	1	1	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
2.6.2. Vision Mission statements were conveyed and displayed	3	NEW	1	2	2	2	1	2	2	3
2.7. Internal Co-ordination										
2.7.1. Offer constant feedback to keep organization on track	1	3	1	1	1	1	1	1	1	8
2.7.1. Offer constant feedback to keep organization on track	3	3	1	1	1	1	1	1	1	7
2.7.2. Set up co-ordination committees for co-ordinating interdependent departments	1	3	1	2	1	1	1	2	2	5
2.7.3. Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	3	3	1	3	1	1	1	1	1	6
2.7.4. Insist that lower level disputes be settled at that level on a face to face basis	3	3	1	3	1	1	3	2	2	3
2.7.5. Keep the atmosphere light.	1	3	3	3	3	3	3	2	3	1
2.7.6. Keep enhancing communication technology – email, mobile, ERP	1	1	1	1	1	2	1	1	1	8

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
2.8. Exercise Control on Communication Technology (NEW)	2	2	1	2	2	2	1	NEW	2	3
3. Unions	1	1	1	1	1	1	2	1	1	8
3.1. Negotiation of support of Unions and neutralization of Unions' pressures	1	2	2	1	1	1	2	2	1	5
3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	1	1	2	1	1	1	2	2	1	6
3.1.2. Get them to suggest turnaround steps	3	2	2	1	1	1	2	2	1	4
3.1.3. Seek support, concessions etc. from the unions	1	1	2	1	1	1	2	2	1	6
3.1.4. Evolve jointly a broad turnaround strategy	3	3	2	2	1	2	2	2	1	2
3.1.5. Keep unions posted on the progress of the turnaround	1	1	2	2	1	1	2	2	1	5
3.2. Collect informal feedback for better negotiations	1	2	2	2	2	NEW	2	2	1	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
3.3. <i>Address all the workers directly and together to avoid misunderstandings and rumours</i>	2	2	NEW	1	2	2	2	NEW	2	3
3.4. <i>Quantity of information shared at a time should be controlled and based on capacity of recipients to absorb it</i>	2	2	NEW	2	2	2	2	2	2	1
3.5. <i>Make it clear to the workers that the management would ensure a fair deal for them</i>	1	2	NEW	2	1	2	2	NEW	1	5
3.6. <i>Let a manager who has dealt with workers and enjoys their goodwill handle negotiations</i>	1	3	NEW	2	1	1	2	NEW	2	5
3.7. <i>Do not hide the decision of closing down the unit from anyone who inquires</i>	2	2	2	2	2	2	2	NEW	2	1
4. Banks and Financial Institutions	1	1	1	1	1	1	1	3	1	8
4.1. <i>Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures</i>	1	1	1	1	1	1	1	3	1	8

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
4.1.1. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	1	1	1	1	2	1	1	3	2	6
4.1.2. Get them to suggest turnaround steps	2	3	3	3	2	1	3	3	2	1
4.1.3. Seek support, concessions etc. from Banks and/or FIs	1	1	1	1	1	1	1	3	1	8
4.1.4. Evolve jointly a broad turnaround strategy	2	2	2	3	2	1	3	3	2	1
4.1.5. Keep Banks and/or FIs posted on the progress of the turnaround	1	1	1	1	2	1	1	3	1	7
4.2. Educate the concerned bank officials on the working of the business/industry(New)	1	NEW	1	2	2	1	NEW	2	NEW	6
4.3. Requires personal interaction of promoter/ top management with Bank senior officials	1	2	1	NEW	2	NEW	NEW	2	2	5
4.4. Protracted negotiations with the banks and Financial institutions	2	2	1	1	NEW	NEW	NEW	2	2	5
5. Government	1	1	1	1	1	1	1	2	1	8

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
5.1. Negotiation of support of Government and neutralization of Government pressures	1	1	1	1	1	1	1	2	1	8
5.1.1. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	1	3	1	1	1	1	1	2	1	7
5.1.2. Get them to suggest turnaround steps	1	3	1	3	3	1	3	2	2	3
5.1.3. Seek support, concessions etc. from the government .	1	1	1	1	1	1	1	2	1	8
5.1.4. Evolve jointly a broad turnaround strategy	1	3	1	3	3	3	3	2	2	2
5.1.5. Keep the government posted on the progress of the turnaround	1	3	1	1	1	1	1	2	2	6
5.1.6. Maintain Direct contact; avoid via medias or advisors	3	2	3	NEW	NEW	NEW	NEW	2	3	4
5.2. Approach Government through industry associations	2	1	2	1	1	NEW	2	2	2	4
5.3.										
5.4. Managing Retrenchment of dying unit	2	2	NEW	1	2	2	2	1	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
5.5. Proactively keep all relevant government officials and departments posted on the faor deal being offered to workers to be retrenched	1	1	NEW	1	2	1	2	2	2	5
6. Suppliers	1	1	2	1	1	1	1	1	2	7
6.1. <i>Negotiation of support of suppliers and neutralization of suppliers' pressures</i>	1	1	2	1	1	1	1	1	2	7
6.1.1. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	1	3	2	3	1	2	1	1	2	4
6.1.2. Get suppliers to suggest turnaround steps	2	3	2	2	2	2	2	2	2	0
6.1.3. Seek support, concessions etc. from suppliers	1	1	2	1	1	1	1	1	2	7
6.1.4. Evolve jointly a broad turnaround strategy	2	3	2	2	2	2	2	2	2	0
6.1.5. Keep suppliers posted on the progress of the turnaround	1	3	2	2	1	2	1	2	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
6.2. Seek new suppliers who are willing to give credit and cooperate	1	2	2	1	2	NEW	1	1	1	6
6.3. Educate Supplier for better quality and quantity	1	NEW	2	2	1	3	2	1	2	4
6.4. Build Credibility among suppliers	NEW	1	2	NEW	NEW	2	1	2	2	5
6.5. Commit payments to build credibility	NEW	1	2	NEW	NEW	2	NEW	NEW	2	6
6.6. Ensure regular educating sessions for ensuring quality	NEW	2	3	3	3	3	3	NEW	2	2
6.7. Post quality manager at supplier's site	2	2	2	2	2	2	2	NEW	2	1
6.8. Seek new suppliers who are willing to cooperate	1	2	2	1	2	1	2	1	2	4
6.9. Seek new suppliers who are willing to cooperate	1									5
7. Customers	1	1	1	1	1	1	1	1	1	9
7.1. Negotiation of support of customers and neutralization of customers' pressures	2	1	2	1	3	1	1	2	1	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	2	1	2	2	3	1	1	2	2	3
7.1.2. Get customers to suggest turnaround steps	2	2	2	2	3	3	2	2	1	1
7.1.3. Seek support, concessions etc. from customers	2	1	2	2	3	3	2	2	2	1
7.1.4. Evolve jointly a broad turnaround strategy	2	2	2	2	3	1	2	2	2	1
7.1.5. Keep customers posted on the progress of the turnaround	2	2	2	1	3	3	1	2	1	3
7.2. Ignore current market and find a new market	NEW	2	1	1	2	1	1	1	2	6
7.3. Design communications to suit customer/ consumer needs and tastes	NEW	2	1	1	2	1	1	1	2	6
7.4. May rename products	NEW	2	2	2	2	2	2	2	2	1
7.5. May redesign packaging	NEW	2	3	2	2	3	2	2	2	1
7.6. May redesign logo	NEW	2	2	2	2	2	2	2	2	1
7.7. Make communications consistent	NEW	2	2	2	2	2	2	1	2	2
7.8. Build brand image	NEW	2	1	2	2	2	2	2	1	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
7.9. Offer Support, concessions etc. to the customer	2	2	2	NEW	2	2	2	2	2	1
7.10. Offer advice or assistance in their times of crisis. Assume the role of a consultant	2	2	2	NEW	2	2	2	2	2	1
7.11. Train people on cross cultural communication	NEW	2	2	2	2	2	2	1	2	2
7.12. Ensure Smooth Cross Cultural Communication with customer	1	2	2	2	2	2	2	NEW	2	2
7.13. Continuously educate employees on customer's cultural values	1	2	2	2	2	2	2	NEW	2	2
7.14. Continuously educate employees on bridging language barriers with foreign customer	1	2	2	2	2	2	2	NEW	2	2
7.15. Continuous monitoring of all employee communications with customer to cover up noise due to cultural and language differences	2	2	2	2	2	2	2	NEW	2	1
7.16. Sourcing industry information for quick cost reduction	1	1	1	2	1	1	1	2	1	7

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
7.16.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	1	1	1	2	1	1	1	2	1	7
7.17. Active participation in industry association activities	2	1	2	1	1	NEW	2	2	2	4
7.18. Develop informal contacts with peers in industry	2	1	2	1	1	NEW	2	2	2	4
7.19. Revenue Generation	1	3	1	1	1	1	1	2	1	7
7.19.1. Unfocused advertising and promotion be more sharply focussed	1	3	1	1	1	1	1	2	1	7
7.20. Build Brand Image	NEW	2	NEW	NEW	NEW	NEW	NEW	2	NEW	7
8. Social Activist Groups	NEW	2	2	2	2	2	2	2	2	1
8.1. Gain Support and neutralize pressures of Social Activist Groups	NEW	2	2	2	2	2	2	2	2	1
Maintain transparent and direct contact	NEW	2	2	2	2	2	2	2	2	1
9. Industry Associations	2	NEW	2	1	2	NEW	2	2	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total affirmative responses
9.1. <i>Influence Government Policies</i>	2	NEW	3	1	2	NEW	3	2	2	3
9.2. <i>Build image of senior member of Company as significant opinion holder</i>	2	1	2	1	1	NEW	2	2	2	4
9.3. <i>Actively participate in Association activities</i>	2	NEW	2	1	1	NEW	2	2	2	4
9.4. <i>Keep track of industry developments</i>	2	1	2	1	1	NEW	2	2	2	4
9.5. <i>Actively participate in Association activities</i>	2	1	2	1	1	NEW	2	2	2	

Table 6.7: Framework reflecting popularity of communication actions employed for each communication objective

✓ = 1
 ✖ = 2
 ? = 3

Theoretical Pattern/ Case Pattern Stakeholder/ <i>Turnaround Element</i> (objective)/ Possible Communication Action	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
1. Board of Directors/ Shareholders										
	2	3	2	2	2	2	1	2	1	2
1.1. Gain support and time in the future										
	2	2	2	2	2	2	3	2	1	1
1.1.1. Present detailed turn-around plan										
	1	2	2	2	3	3	1	3	1	3
2. Staff and Employees										
	1	1	1	1	1	1	1	1	1	9
2.1. Credibility building actions by the new management										
	1	2	1	1	1	2	1	2	1	6
2.1.1. Make decisions transparent										
	1	3	1	1	1	2	1	1	1	7
2.1.2. Exercise Communication Control										
	1	3	1	1	1	3	3	1	1	6
2.1.3. Document, and communicate a strategic TA plan										
	1	2	2	2	1	3	1	2	1	4
2.1.4. Publicize success in resolving a current crisis or problem										
	1	3	2	2	3	2	1	2	1	3
2.2. Initial Control										
	1	3	1	1	1	1	1	1	1	8
2.2.1. Exercise Communication Control.										
	1	3	1	3	1	3	1	1	1	6

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
2.2.2. Seek views on the general well being of the employees.	1	2	2	1	1	3	1	1	1	6
2.2.3. Order preparation of daily, weekly and monthly cash forecasts	3	3	3	3	1	1	1	1	1	5
2.3. Confront employees attempting anti-establishment sentiments	2	2	2	2	2	2	2	2	NEW	1
2.4. Mobilization of organization for turnaround	1	1	1	1	1	1	1	1	1	9
2.4.1. Inject urgency in the communications plan. Explain what needs to be done and why	1	1	1	1	1	2	1	1	1	8
2.4.2. Deal with concerns of employees in open and honest manner. Offer follow up sessions	1	3	1	1	1	3	1	1	1	7
2.4.3. Articulate a few highly concrete targets for the company for the next few months	1	1	3	3	1	1	1	1	1	7
2.4.4. Top managers must emphasize on integrity, fairness, hard work, resourcefulness and concern for the staff during interactions with the staff.	1	3	1	1	1	2	1	1	1	7
2.4.5. Listen to the views of all managers. Gauge their reaction	1	3	2	2	1	1	1	1	1	6
2.4.6. Repeatedly affirm the Company's mission, core values, and the primary goals of profit and growth.	1	3	1	2	1	2	1	1	1	6

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
2.4.7. Understand perceptions and focus minds of managing team. Set the scene for turnaround.	1	2	1	2	1	1	1	2	2	5
2.4.8. Ensure all employees know what is going on, for what reason and how it will occur.	1	3	1	2	1	2	1	2	1	5
2.4.9. Share the pulpit (Empowerment)	1	1	2	2	1	2	1	2	1	5
2.4.10. Note any comments or queries and provide answers asap.	3	3	2	1	1	3	1	1	1	5
2.4.11. Involve the staff to identify solvable problem areas and have their views on uninvolved areas.	1	3	2	2	1	1	1	2	1	5
2.4.12. Include key managers for development of industry wisdom	2	1	3	3	1	1	1	2	2	4
2.4.13. CEO must get out of the office to interact with the employees and to listen to them.	1	3	2	2	3	3	1	1	1	4
2.4.14. Publicize and celebrate every employee and team success	1	3	2	2	2	1	1	2	1	4
2.5. Organize seminars for educating workers on their rights and developments in industry. This dispels misconceptions. (Educate employees on their rights and openly discuss them)	1	2	1	2	NEW	2	2	2	1	4
2.5.1. Hold special sessions for non-participating managers after vision has been developed to share	1	3	2	2	1	2	1	2	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
planned vision										
2.5.2. Employ open ended communication style that encourages employees to find answers, take decisions.	1	3	2	2	1	2	2	2	1	3
2.6. <i>Emphasize that employees loss or gain is very high</i>	1	1	2	2	NEW	2	2	2	1	4
2.6.1. Exercise Control on Communication Technology	2	2	NEW	2	2	2	1	1	2	3
2.6.2. Vision Mission statements were conveyed and displayed	3	NEW	1	2	2	2	1	2	2	3
2.6.3. CEO should deliver the vision presentation in person and as often as possible.	1	3	2	2	2	2	1	2	2	2
2.6.4. Include only key managers for development of vision	3	3	2	2	3	3	2	2	2	0
2.6.5. Rephrase people's roles to clarify managerial responsibilities.	2	3	2	2	2	2	2	2	2	0
2.7. Internal Co-ordination	1	3	1	1	1	1	1	1	1	8
2.7.1. Keep enhancing communication technology – email, mobile, ERP	1	1	1	1	1	2	1	1	1	8
2.7.2. Offer constant feedback to keep organization on track	3	3	1	1	1	1	1	1	1	7
2.7.3. Institute a monthly performance review meeting of all senior managers chaired by the chief executive.	3	3	1	3	1	1	1	1	1	6
2.7.4. Set up co-ordination	1	3	1	2	1	1	1	2	2	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
committees for co-ordinating interdependent departments										
2.7.5. Insist that lower level disputes be settled at that level on a face to face basis	3	3	1	3	1	1	3	2	2	3
2.8. <i>Exercise Control on Communication Technology (NEW)</i>	2	2	1	2	2	2	1	NEW	2	3
2.8.1. Keep the atmosphere light.	1	3	3	3	3	3	3	2	3	1
3. Unions	1	1	1	1	1	1	2	1	1	8
3.1. <i>Negotiation of support of Unions and neutralization of Unions' pressures</i>	1	2	2	1	1	1	2	2	1	5
3.1.1. Brief unions on the problems and strengths of the unit and some tentative turnaround plan.	1	1	2	1	1	1	2	2	1	6
3.1.2. Seek support, concessions etc. from the unions	1	1	2	1	1	1	2	2	1	6
3.1.3. Keep unions posted on the progress of the turnaround	1	1	2	2	1	1	2	2	1	5
3.1.4. Get them to suggest turnaround steps	3	2	2	1	1	1	2	2	1	4
3.1.5. Collect informal feedback for better negotiations	1	2	2	2	2	NEW	2	2	1	3
3.1.6. Evolve jointly a broad turnaround strategy	3	3	2	2	1	2	2	2	1	2
3.2. <i>Managing Retrenchment</i>	2	2	1	1	2	2	2	1	2	3
3.2.1. Address all the workers directly and together to avoid misunderstandings and rumours	2	2	NEW	1	2	2	2	NEW	2	3

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
3.2.2. Make it clear to the workers that the management would ensure a fair deal for them	1	2	NEW	2	1	2	2	NEW	1	5
3.2.3. Let a manager who has dealt with workers and enjoys their goodwill handle negotiations	1	3	NEW	2	1	1	2	NEW	2	5
3.2.4. Quantity of information shared at a time should be controlled and based on capacity of recipients to absorb it	2	2	NEW	2	2	2	2	2	2	1
3.2.5. Do not hide the decision of closing down the unit from anyone who inquires	2	2	2	2	2	2	2	NEW	2	1
4. Banks and Financial Institutions	1	1	1	1	1	1	1	3	1	8
4.1. Negotiation of support of Banks and/or FIs and neutralization of Banks and/or FIs pressures	1	1	1	1	1	1	1	3	1	8
4.1.1. Seek support, concessions etc. from Banks and/or FIs	1	1	1	1	1	1	1	3	1	8
4.1.2. Keep Banks and/or FIs posted on the progress of the turnaround	1	1	1	1	2	1	1	3	1	7
4.1.3. Brief Banks and/or FIs on the problems and strengths of the unit and some tentative turnaround plan	1	1	1	1	2	1	1	3	2	6
4.2. Educate the concerned bank officials on the working of the business/industry(New)	1	NEW	1	2	2	1	NEW	2	NEW	6
4.3. Requires personal interaction of promoter/ top management with Bank senior officials	1	2	1	NEW	2	NEW	NEW	2	2	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
4.4. <i>Protracted negotiations with the banks and Financial institutions</i>	2	2	1	1	NEW	NEW	NEW	2	2	5
4.4.1. Get them to suggest turnaround steps	2	3	3	3	2	1	3	3	2	1
4.4.2. Evolve jointly a broad turnaround strategy	2	2	2	3	2	1	3	3	2	1
5. Government	1	1	1	1	1	1	1	2	1	8
5.1. <i>Negotiation of support of Government and neutralization of Government pressures</i>	1	1	1	1	1	1	1	2	1	8
5.1.1. Seek support, concessions etc. from the government	1	1	1	1	1	1	1	2	1	8
5.1.2. Brief relevant government departments on the problems and strengths of the unit and some tentative turnaround plan.	1	3	1	1	1	1	1	2	1	7
5.1.3. Keep the government posted on the progress of the turnaround	1	3	1	1	1	1	1	2	2	6
5.1.4. Maintain Direct contact; avoid via medias or advisors	3	2	3	NEW	NEW	NEW	NEW	2	3	4
5.2. <i>Approach Government through industry associations</i>	2	1	2	1	1	NEW	2	2	2	4
5.2.1. Get them to suggest turnaround steps	1	3	1	3	3	1	3	2	2	3
5.2.2. Evolve jointly a broad turnaround strategy	1	3	1	3	3	3	3	2	2	2
5.3. <i>Managing Retrenchment of dying unit</i>	2	2	NEW	1	2	2	2	1	2	3
5.3.1. Proactively keep all relevant government	1	1	NEW	1	2	1	2	2	2	5

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
officials and departments posted on the fair deal being offered to workers to be retrenched										
6. Suppliers	1	1	2	1	1	1	1	1	2	7
6.1. Negotiation of support of suppliers and neutralization of suppliers' pressures	1	1	2	1	1	1	1	1	2	7
6.1.1. Seek support, concessions etc. from suppliers	1	1	2	1	1	1	1	1	2	7
6.1.2. Seek new suppliers who are willing to give credit and cooperate	1	2	2	1	2	NEW	1	1	1	6
6.1.3. Brief suppliers on the problems and strengths of the unit and some tentative turnaround plan.	1	3	2	3	1	2	1	1	2	4
6.1.4. Keep suppliers posted on the progress of the turnaround	1	3	2	2	1	2	1	2	2	3
6.1.5. Get suppliers to suggest turnaround steps	2	3	2	2	2	2	2	2	2	0
6.1.6. Evolve jointly a broad turnaround strategy	2	3	2	2	2	2	2	2	2	0
6.2. Build Credibility among suppliers	NEW	1	2	NEW	NEW	2	1	2	2	5
6.2.1. Commit payments to build credibility	NEW	1	2	NEW	NEW	2	NEW	NEW	2	6
6.3. Ensure better quality and quantity from supplier	1	NEW	2	2	1	3	2	1	2	4
6.3.1. Seek new suppliers who are willing to cooperate	1	2	2	1	2	1	2	1	2	4
6.3.2. Ensure regular educating sessions for ensuring	NEW	2	3	3	3	3	3	NEW	2	2

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
6.3.3. Post quality manager at supplier's site	2	2	2	2	2	2	2	NEW	2	1
7. Customers	1	1	1	1	1	1	1	1	1	9
7.1. Negotiation of support of customers and neutralization of customers' pressures	2	1	2	1	3	1	1	2	1	5
7.1.1. Brief customers on the problems and strengths of the unit and some tentative turnaround plan.	2	1	2	2	3	1	1	2	2	3
7.1.2. Keep customers posted on the progress of the turnaround	2	2	2	1	3	3	1	2	1	3
7.1.3. Get customers to suggest turnaround steps	2	2	2	2	3	3	2	2	1	1
7.1.4. Seek support, concessions etc. from customers	2	1	2	2	3	3	2	2	2	1
7.1.5. Evolve jointly a broad turnaround strategy	2	2	2	2	3	1	2	2	2	1
7.2. Ignore current market and find a new market	NEW	2	1	1	2	1	1	1	2	6
7.3. Design communications to suit customer/ consumer needs and tastes	NEW	2	1	1	2	1	1	1	2	6
7.4. Build brand image	NEW	2	1	2	2	2	2	2	1	3
7.5. Make communications consistent	NEW	2	2	2	2	2	2	1	2	2
7.6. Train people on cross cultural communication	NEW	2	2	2	2	2	2	1	2	2
7.7. May rename products	NEW	2	2	2	2	2	2	2	2	1
7.8. May redesign packaging	NEW	2	3	2	2	3	2	2	2	1
7.9. May redesign logo	NEW	2	2	2	2	2	2	2	2	1
7.10. Offer Support, concessions	2	2	2	NEW	2	2	2	2	2	1

Theoretical Pattern/ Case Pattern etc. to the customer	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
7.11. Offer advice or assistance in their times of crisis. Assume the role of a consultant	2	2	2	NEW	2	2	2	2	2	1
7.12. Ensure Smooth Cross Cultural Communication with customer	1	2	2	2	2	2	2	NEW	2	2
7.13. Continuously educate employees on customer's cultural values	1	2	2	2	2	2	2	NEW	2	2
7.14. Continuously educate employees on bridging language barriers with foreign customer	1	2	2	2	2	2	2	NEW	2	2
7.15. Continuous monitoring of all employee communications with customer to cover up noise due to cultural and language differences	2	2	2	2	2	2	2	NEW	2	1
7.16. Sourcing industry information for quick cost reduction	1	1	1	2	1	1	1	2	1	7
7.16.1. Increase costs incurred on communication technologies, if need be, for sourcing industry (market) information	1	1	1	2	1	1	1	2	1	7
7.16.2. Active participation in industry association activities	2	1	2	1	1	NEW	2	2	2	4
7.16.3. Develop informal contacts with peers in industry	2	1	2	1	1	NEW	2	2	2	4
7.17. Revenue Generation	1	3	1	1	1	1	1	2	1	7
7.17.1. Unfocused advertising and promotion be more	1	3	1	1	1	1	1	2	1	7

Theoretical Pattern/ Case Pattern	TBEL	ESCL	ABCL	VPL	HMCL	NJMCL	IPL	AFL	NTCL	Total
sharply focussed										
7.18. <i>Build Brand Image</i>	NEW	2	NEW	NEW	NEW	NEW	NEW	2	NEW	7
8. <i>Social Activist Groups</i>	NEW	2	2	2	2	2	2	2	2	1
8.1. <i>Gain Support and neutralize pressures of Social Activist Groups</i>	NEW	2	2	2	2	2	2	2	2	1
8.1.1. Maintain transparent and direct contact	NEW	2	2	2	2	2	2	2	2	1
9. <i>Industry Associations</i>	2	NEW	2	1	2	NEW	2	2	2	3
9.1. <i>Influence Government Policies</i>	2	NEW	3	1	2	NEW	3	2	2	3
9.1.1. Build image of senior member of Company as significant opinion holder	2	1	2	1	1	NEW	2	2	2	4
9.1.2. Actively participate in Association activities	2	NEW	2	1	1	NEW	2	2	2	4
9.2. <i>Keep track of industry developments</i>	2	1	2	1	1	NEW	2	2	2	4
9.2.1. Actively participate in Association activities	2	1	2	1	1	NEW	2	2	2	4

Table 6.8: Communication Technologies employed 4 OTA

Communication Technologies adopted during turnaround													
S No	TA Companies	Computing Facility	Type of Internet connectivity	Access to Internet	Email as official comm	Email monitoring	LAN	Type of Connectivity	ERP domain	Mobile Phone Restrictions	SMS utility	Website usage	Video Conferences
1	Amrit Banaspati Ltd.	2	2	2	1	0	1	0	2	0	1	2	1
2	Asia fab	3	2	2	1	1	1	0	1	2	1	1	1
3	Empee Sugar and Chemicals Ltd	0	0	0	0	0	0	0	0	0	0	0	0
4	Howrah Mills Co. Ltd.	1	2	2	1	0	1	0	1	1	1	?	1
5	Indian Polyfibres Ltd.	1	2	1	1	1	2	2	3	2	1	1	2
6	Namburnadi Tea Co. Ltd.	0	0	0	1	1	1	2	2	2	1	1	0
7	Naihati Jute Mills Co. Ltd.	1	2	0	1	0	1	0	1	1	1	2	1
8	Tasty Bites	1	2	1	1	2	2	1	3	2	1	2	1
9	Vegetable Products Ltd.	1	2	1	1	2	1	0	1	1	1	1	1
		No information - 0	Don't know-0	Don't know-0	Don't know-0	Don't Know-0	Don't Know-0	Don't Know-0	Don't know - 0	Don't Know-0	Don't Know-0	Don't Know-0	Don't Know-0

Communication Technologies adopted during turnaround													
S No	TA Companies	Computing Facility	Type of Internet connectivity	Access to Internet	Email as official comm	Email monitoring	LAN	Type of Connectivity	ERP domain	Mobile Phone Restrictions	SMS utility	Website usage	Video Conferences
		Computers at each desk - 1	Dial up connection-1	Net Connectivity at all points-1	Email Official Comm-1	Email monitored - 1	LAN only-1	Virtual Private Network-1	ERP software not implemented -1	No restrictions on Mobile Phone usage -1	o use -1	No Website 1	No Video Conferencing facility - 1
		Common computing facility-2	Broad Band Connectivity-2	Net Connectivity at select points-2	Email not official communication -2	Email not monitored - 2	LAN and WAN - 2	Satellite Link - 2	ERP single location - 2	Restrictions on Mobile Phone usage -2	Used for some functions - 2	For information dissemination only-2	Video conferencing used - 2
		Computers at each desk and common facility for specific features - 3							ERP multilocation - 3			For active marketing objectives - 3	